
State: District of Columbia **First Filing Company:** Sentry Insurance a Mutual Company, ...
TOI/Sub-TOI: 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)
Product Name: Commercial Fire
Project Name/Number: DC - C/W - CF-2017-RFLLC/OFLFR/RFLRU - 01 71 74 - 2018/005.9956-18079

Filing at a Glance

Companies: Sentry Insurance a Mutual Company
Middlesex Insurance Company

Product Name: Commercial Fire

State: District of Columbia

TOI: 01.0 Property

Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)

Filing Type: Form

Date Submitted: 05/02/2018

SERFF Tr Num: SEPX-131459175

SERFF Status: Assigned

State Tr Num:

State Status:

Co Tr Num: FLOOD/QUAKE SBP FORM

Effective Date 10/01/2018

Requested (New):

Effective Date 10/01/2018

Requested (Renewal):

Author(s): Brenda Saeger

Reviewer(s): Carmen Belen (primary)

Disposition Date:

Disposition Status:

Effective Date (New):

Effective Date (Renewal):

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General Information

Project Name: DC - C/W - CF-2017-RFLLC/OFLFR/RFLRU - Status of Filing in Domicile:
01 71 74 - 2018
Project Number: 005.9956-18079 Domicile Status Comments:
Reference Organization: ISO Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 05/02/2018
State Status Changed: Deemer Date:
Created By: Brenda Saeger Submitted By: Brenda Saeger
Corresponding Filing Tracking Number:

Filing Description:

Sentry Insurance A Mutual Company NAIC # 169-24988, FEIN # 39-0333950

NOTE: We have a companion Rate/Rule filing under SEPX-131459197

We will be filing to revise our flood and earthquake offerings by completing the following with a written date of 10/1/2018:

1. Delay Adoption of the new ISO Multistate Flood filings: CF-2017-OFLFR, CF-2017-RFLRU, CF-2017-RFLLC to 10/1/2018.
2. Revise our company forms and rules to remove flood from our optional "Special Broadened Property Coverage" CP 80 26 endorsement. This will involve removing all flood provisions and relying on the ISO flood endorsement in the future as well as removing any flood rules applicable to this endorsement and rely on the ISO rating and rules.
3. Adopting ISO Earthquake filing CF-2013-REQU and all provisions/rules that go along with this filing.
4. Revising Division 5 (Property) Company rule pages to accommodate company rules around flood and earthquake.
5. Revising our Commercial Package rules to indicate that the Package Modification Factor does not apply to flood premium.

For your review of the two filings, we have included revised manual rule pages, form mock up, as well as two explanatory memos for our company exceptions in regard to the Flood and Earthquake revisions.

Thank you.

Brenda Saeger
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Sentry Insurance
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Company and Contact

Filing Contact Information

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Analyst Sr.

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1800 North Point Drive 715-346-6143 [Phone]
Stevens Point, WI 54481 715-346-6044 [FAX]

Filing Company Information

Sentry Insurance a Mutual Company	CoCode: 24988	State of Domicile: Wisconsin
1800 North Point Drive	Group Code: 169	Company Type:
Stevens Point, WI 54481	Group Name: Sentry Insurance Group	State ID Number:
(715) 346-6000 ext. [Phone]	FEIN Number: 39-0333950	

Middlesex Insurance Company	CoCode: 23434	State of Domicile: Wisconsin
1800 North Point Drive	Group Code: 169	Company Type:
Stevens Point, WI 54481	Group Name: Sentry Insurance Group	State ID Number:
(715) 346-6000 ext. [Phone]	FEIN Number: 04-1619070	

Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	

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Form Schedule

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data		Readability Score	Attachments
1		SPECIAL BROADENED PROPERTY COVERAGE	CP 80 26	10-18	END	Replaced	Previous Filing Number:	SEPX-G131233409	57.300	CP 80 26 1018.pdf
							Replaced Form Number:	CP 80 26 01 16		

Form Type Legend:

ABE	Application/Binder/Enrollment	ADV	Advertising
BND	Bond	CER	Certificate
CNR	Canc/NonRen Notice	DEC	Declarations/Schedule
DSC	Disclosure/Notice	END	Endorsement/Amendment/Conditions
ERS	Election/Rejection/Supplemental Applications	OTH	Other

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL BROADENED PROPERTY COVERAGE

This endorsement modifies the insurance provided by the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
BUSINESS INCOME COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM

- I.** The following changes apply to the Building and Personal Property Coverage Form and the Condominium Commercial Unit-Owners Coverage Form:

A. Coverage

1. Covered Property

a. Extended Premises Definition

Covered personal property (including building materials used for making additions, alterations or repairs to covered buildings) is covered while it is:

- (1)** In or on the building described in the Declarations; or
- (2)** In the open (or in a vehicle) within 1,500 feet of the described premises.

This provision modifies Sections **A.1.a.(5)(b)**, **A.1.b.** and **A.1.c.(2)** of the Building and Personal Property Coverage Form and Sections **A.1.a.** and **A.1.b.(2)** of the Condominium Commercial Unit-Owners Coverage Form.

b. Additions to Your Business Personal Property

The insurance that applies to Your Business Personal Property includes the following property:

- (1)** Data processing equipment;
- (2)** Valuable papers and electronic media;
- (3)** Fine arts; and
- (4)** The following property at premises rented or leased to you if you have a contractual responsibility to pay for repair or replacement after damage by a Covered Cause of Loss:
 - (a)** Building glass;

(b) Outdoor fixtures; and

- (c)** Heating or air conditioning systems that service only the premises leased to you.

This property will be considered to be tenant's improvements and betterments.

The types of property described in this provision are added to Section **A.1.b.** of the Building and Personal Property Coverage Form and Section **A.1.b.** of the Condominium Commercial Unit-Owners Coverage Form.

2. Additional Coverages

- a.** The following provisions revise the Additional Coverages provided by the Coverage Form.

(1) Debris Removal

The additional limit provided by Section **A.4.a.(4)** of the Coverage Form is \$50,000 or the Debris Removal Limit shown in the Declarations.

(2) Preservation of Property

- (a)** Coverage under this Additional Coverage is extended to apply for 180 days after the property is first moved. The time period specified in Section **A.4.b.(2)** of the Coverage Form does not apply to this Additional Coverage.

- (b)** During the first 180 days after the property is moved this Additional Coverage is subject to the Limit of Insurance that applies to the Covered Property. Thereafter, this Additional Coverage is subject to the Limit of Insurance that applies to Property At Any Location.

(3) Fire Department Service Charge

Coverage provided by the Fire Department Service Charge Additional Coverage is subject to the Direct Loss Blanket Limit. The limit in Section **A.4.c.** of the Coverage Form does not apply to this Additional Coverage.

(4) Pollutant Clean-Up and Removal

The most we will pay for under this Additional Coverage for each described building is \$100,000 or the Pollutant Clean-Up and Removal limit shown in the Declarations for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

This provision replaces the Final Paragraph of Section **A.4.d.** of the Building and Personal Property Coverage Form.

(5) Electronic Data

(a) Electronic data are covered for loss or damage by any Covered Cause of Loss. Paragraph **A.4.f.(3)** of the Building and Personal Property Coverage Form and Paragraph **A.4.e.(3)** of the Condominium Commercial Unit-Owners Coverage are deleted.

(b) Coverage provided by the Electronic Data Additional Coverage is subject to the Direct Loss Blanket Limit. The limit in Paragraph **A.4.f.(4)** of the Building and Personal Property Coverage Form and Paragraph **A.4.e.(4)** of the Condominium Commercial Unit-Owners Coverage Form are deleted.

b. The following Additional Coverages are added to your policy:

(1) Building Ordinance Coverage

(a) This Additional Coverage applies separately to each covered building.

(b) Coverage provided by this Additional Coverage applies only if both of the following conditions are satisfied.

1) The ordinance or law:

a) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

b) Is in force at the time of the loss.

2) a) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law you are required to comply with; or

b) The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law you are required to comply with. In this situation, we will not pay the full amount of loss otherwise payable under the terms of this Additional Coverage. Instead, we will pay a proportion of the loss; meaning the proportion that covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law you are required to comply with, then we will pay the full amount of loss otherwise payable under this Additional Coverage.

c) But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law you are required to comply with, then there is no coverage under this endorsement even if the building has also sustained covered direct physical loss or damage.

Coverage under this Additional Coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered.

(c) Coverage

1) Loss to the Undamaged Portion of the Building:

With respect to the building that has sustained covered direct physical damage, we will pay for the loss in value of the undamaged portion of the building as a consequence of a requirement to comply with an ordinance or law that requires demolition of undamaged parts of the same building.

When there is a loss in value of an undamaged portion of a building, the loss payment for that building, including damaged and undamaged portions is limited to the lesser of:

- a)** The value of the building at the time of the loss; or
- b)** The Limit Of Insurance shown in the Declarations for that building.

This coverage is included within the Limit of Insurance shown in the Declarations as applicable to the covered Building Property. This coverage does not increase the Limit of Insurance.

2) Demolition Cost Coverage:

With respect to the building that has sustained covered direct physical damage, we will pay the cost you actually spend to demolish and clear the site of undamaged parts of the same building, as a consequence of a requirement to comply with an ordinance or law that requires demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

Demolition Cost Coverage is subject to the Direct Loss Blanket Limit.

Demolition Cost Coverage provided by this Additional Coverage is excess above similar coverage provided by an Ordinance or Law Coverage Endorsement included in this policy.

3) Increased Cost of Construction:

a) With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- (i)** Repair or reconstruct damaged portions of that building; and/or
- (ii)** Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of a requirement to comply with the minimum standards of the ordinance or law.

However:

- (i)** This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (ii)** We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

- b)** When covered Building property is damaged or destroyed by a Covered Cause of Loss and Increased Cost of Construction Coverage applies to that property in accordance with Paragraph **a)** above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in Paragraph **a)**:

- (i)** The cost of excavations, grading, backfilling and filling;
- (ii)** Foundation of the building;
- (iii)** Pilings; and
- (iv)** Underground pipes, flues and drains.

The items listed in Sections **(i)** through **(iv)** of this paragraph are deleted from Property Not Covered, but only with respect to coverage described in this Paragraph.

We will not pay under Increased Cost of Construction Coverage until the property is actually repaired or replaced, at the same premises or another premises.

We will not pay under Increased Cost of Construction Coverage unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Increased Cost of Construction Coverage is the increased cost of construction at the same premises.

If the ordinance or law requires relocation to another premises, the most we will pay under the Increased Cost of Construction Coverage is the increased cost of construction at the new premises.

Increased Cost of Construction Coverage is subject to the Direct Loss Blanket Limit.

Increased Cost of Construction Coverage provided by this Additional Coverage is excess above similar coverage provided by an Ordinance or Law Coverage Endorsement included in this policy.

(d) Exclusions

- 1)** We will not pay for costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".
- 2)** Building Ordinance Coverage does not apply to loss due to any ordinance or law that:
 - a)** You were required to comply with before the loss, even if the building was undamaged; and
 - b)** You failed to comply with.
- (e)** The Increased Construction Cost Additional Coverage in Section **A.4.e.** of the Building and Personal Property Coverage Form does not apply to your policy.

(2) Fire Extinguisher Recharging

We will pay the expenses you incur to recharge fire extinguishers or commercial fire suppression systems that have been used to fight a fire at a described building. Coverage under this Additional Coverage is subject to the Direct Loss Blanket Limit.

(3) Accounts Receivable

We will pay for the following after your records of accounts receivable are damaged or destroyed by a Covered Cause of Loss.

- (a)** Amounts due from your customers that you are unable to collect;
- (b)** Interest charges on any loan required to offset amounts you are unable to collect pending our payment of those amounts;
- (c)** Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
- (d)** Other reasonable expenses you incur to reestablish your records of accounts receivable.

Coverage under this Additional Coverage is subject to the Indirect Loss Blanket Limit.

(4) Expenses to Protect Property

Coverage for the reasonable expenses you incur to protect Covered Property from further damage by a Covered Cause of Loss is subject to the Direct Loss Blanket Limit. These expenses are not subject to the Limit of Insurance that applies to the damaged or destroyed property.

(5) Employee Property

We will pay for loss by a Covered Cause of Loss to any property that is owned by your employees and that is used in your business. But we will not pay for property which is at the employee's place of residence when the loss or damage occurs.

Coverage under this Additional Coverage is subject to the Direct Loss Blanket Limit. Our payment for loss or damage under this Additional Coverage will only be for the account of the employee.

If employee's property is the only property lost or damaged in an occurrence we will deduct \$100 from the amount of each employee's claim. No other deductible will apply to the occurrence.

This Additional Coverage replaces any coverage for employee property used in your business which may be afforded by other provisions of the Coverage Form.

(6) Arson or Theft Reward

We will pay a reward for information which leads to an arson conviction in connection with a fire or theft loss covered by this policy. The most we will pay as a reward is 25% of the amount of the fire or theft loss, or \$50,000; whichever is smaller.

This Additional Coverage is provided in addition to the applicable Limit of Insurance.

(7) Consequential Damage to "Stock"

If a Covered Cause of Loss damages covered "stock" we will pay any reduction in value or remaining parts of covered "stock".

Payment for any reduced value of "stock" is subject to the Limit of Insurance that applies to the premises at which the "stock" is located.

(8) Business Income

We will pay for your loss of business income due to the necessary suspension of your operations because of direct physical loss of or damage to property at the building described in the Declarations by a Covered Cause of Loss. We will also pay if the suspension results from damage to personal property in the open within 1,500 feet of such premises described in the Declarations.

Business income means:

- (a)** The net income (net profit or loss before income taxes) that you would have earned if the Covered Cause of Loss had not occurred; and
- (b)** Continuing normal operating expenses that you incur while your operations are suspended.

Coverage under this Additional Coverage is subject to the Indirect Loss Blanket Limit.

We will pay for loss of business income in addition to the amount that we pay for the direct physical loss.

The coverage provided by this Additional Coverage is excess above any insurance provided by a Business Income Coverage Form included in this policy.

(9) Extra Expense

We will pay for the extra expense you incur because of direct physical loss of or damage to property at the building described in the Declarations by a Covered Cause of Loss. We will also pay for the extra expense you incur because of damage to personal property in the open within 1,500 feet of such premises described in the Declarations.

Extra expense means necessary expenses you incur while the property that has been damaged or destroyed is repaired or replaced that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

The extra expense must be incurred for the following purposes:

- (a)** To avoid or minimize the suspension of business and to continue operations:
 - 1)** At replacement buildings or at temporary locations, including:
 - a)** Relocation expenses; and
 - b)** Costs to equip and operate the replacement or temporary locations;
 - 2)** To minimize the suspension of business if you cannot continue operations; or
 - 3) a)** To repair or replace any property; or

- b)** To research, replace or restore the lost information on damaged valuable papers or records;

to the extent that it reduces the amount of loss that otherwise would have been payable under this Additional Coverage.

Coverage under this Additional Coverage is subject to the Indirect Loss Blanket Limit.

We will pay for extra expense in addition to the amount that we pay for the direct physical loss.

The coverage provided by this Additional Coverage is excess above any insurance provided by a Business Income Coverage Form or Extra Expense Coverage Form included in this policy.

(10) Claim Preparation Expenses

We will pay the reasonable expenses you necessarily incur with our permission to prepare documentation, including inventories of damaged and undamaged property, that substantiates your claim for loss or damage to Covered Property.

This coverage does not apply to public adjuster fees or to attorney fees or other costs for legal services. Coverage under this Additional Coverage is subject to the Direct Loss Blanket Limit.

(11) Installment Sales Coverage

We will pay for direct loss by a Covered Cause of Loss to personal property you sold under a conditional sale or trust agreement or under any installment or deferred payment plan.

Payment for loss under this Additional Coverage is limited to the amount of your interest in the property.

Coverage under this Additional Coverage is subject to the Direct Loss Blanket Limit.

(12) Leasehold Interest Coverage for Undamaged Improvements and Betterments

We will pay for the replacement cost of undamaged improvements and betterments to buildings rented or leased to you if your lease is cancelled by the lessor following direct physical loss or damage to property at the building by a Covered Cause of Loss.

This Additional Coverage applies only when a valid condition of your lease permits cancellation following damage to the property.

(a) If you rent the entire building, we will pay only if:

- 1) At least 25% of the building has been damaged; and
- 2) The unexpired portion of your lease is at least six months and at least six months will be required to repair the building for your occupancy.

(b) If you do not rent the entire building, we will pay only if:

- 1) The unexpired portion of your lease is at least six months; and
- 2) At least six months will be required to repair the building for your occupancy.

Coverage under this Additional Coverage is subject to the Direct Loss Blanket Limit.

(13) Contract Penalty Expenses

We will pay expenses you incur for contract penalties assessed as a result of your failure to deliver your product accordingly to the terms of a contract. The failure and subsequent penalties must be due to a direct physical loss to a Covered Property by a Covered Cause of Loss.

The most we will pay under this Additional Coverage is \$50,000.

(14) Franchise Replacement Cost Valuation

In the event of a covered direct physical loss or damage by a Covered Cause of Loss to a Building or your Business Personal Property that is covered property at the described premises to which Replacement Cost Valuation applies, we will pay the increased

costs you incur to repair or replace the damaged Covered Property to comply with the minimum standards of franchisor specifications in effect at the time of loss, which you are required to comply with under written contract with your franchisor in effect at the time of loss.

(a) Conditions

- 1) This only applies if the damaged property is actually repaired or replaced as soon as reasonably possible after the loss or damage; and
- 2) Only to the increased costs incurred to repair or replace the damaged portions of the covered Building property and the damaged items of the covered Business Personal Property. It does not apply to any additional costs incurred to bring undamaged portions of the Building or Personal Property into compliance with franchisor specifications.

(b) This does not apply to the following:

- 1) Any increased costs incurred to comply with any franchisor specifications that:
 - a)** You were required to comply with prior to the loss or damage to the covered property, even if there was no loss or damage to the property; and you failed to comply with.
- 2) Any increased costs incurred due to enforcement of ordinance or law.

(c) Coverage provided by the Franchise Replacement Cost Valuation extension is subject to a \$10,000 annual aggregate limit.

3. Coverage Extensions

- a.** The Coverage Extensions in the Coverage Form and in this endorsement apply to property located in or on buildings described in the Declarations or in the open (or in a vehicle) within 1,500 feet of the described premises. The Coverage Extensions also apply to Covered Property away from described premises.

This paragraph replaces the introduction to Section **A.5.** in the Coverage Form.

- b. The following provisions modify the Coverage Extensions in the Coverage Form.

(1) Newly Constructed or Acquired Property

(a) Period of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property Coverage will end when any of the following first occurs:

- 1) This policy expires;
- 2) 180 days expire after you acquire the property or begin construction of that part of the building that would qualify as Covered Property; or

- 3) You report values to us.

We will charge you additional premium from the date you acquire the property or begin construction of that part of the building that would qualify as Covered Property.

(b) Buildings

If this policy covers Building, you may extend that insurance to apply to:

- 1) Your new buildings while being built on the described premises; and
- 2) Buildings you acquire, and buildings while being built, at locations other than the described premises, intended for:
 - a) Similar use as the building described in the Declarations; or
 - b) Use as a warehouse.

The most we will pay under this Extension for loss or damage to any building or structure is \$1,500,000 or the Newly Acquired or Constructed Building Limit shown in the Declarations.

(c) Your Business Personal Property

- 1) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:

- a) Business personal property, including such property that you newly acquire at any location you acquire; or

- b) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

The most we will pay for loss or damage under this Extension is the greater of the Property At Any Location Limit of Insurance shown in the Declarations or \$750,000.

- 2) This Extension does not apply to:

- a) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or

- b) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

- c) Personal property covered as part of Paragraph **3.b.(4)** of this endorsement, Property Off-Premises.

These provisions replace Section **A.5.a.** of the Coverage Form.

(2) Personal Effects and Property of Others

- (a) Coverage provided by the Personal Effects and Property of Others Coverage Extension is subject to the Direct Loss Blanket Limit. The limit in Section **A.5.b.** of the Coverage Form does not apply to this Coverage Extension.

- (b) The Personal Effects Theft Limitation in the Coverage Form does not apply to this Coverage Extension.

- (c) This Coverage Extension applies to property of others while it is in transit.

Property of others is considered to be under your control from the time you receive it from the owner or another person responsible for the property until you return it to the owner or other person responsible for the property.

Property of others in the custody of a carrier for hire is considered to be under your control while it is being shipped to you or by you.

The Property in Transit Limit shown in the Declarations applies to property of others while it is in transit.

(3) Valuable Papers and Records (Other Than Electronic Data)

Section A.5.c. of the Coverage Form is replaced by the following:

c. Valuable Papers and Records (Other Than Electronic Data)

(1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost you incur to repair or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.

(2) Coverage under this Extension is subject to the Direct Loss Blanket Limit. Coverage under the Direct Loss Blanket Limit is additional insurance. We will also pay for the additional cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

(4) Property Off-Premises

The following provisions replace Coverage Extension A.5.d. of the Coverage Form.

d. You may extend the insurance provided by the coverage form to apply to your Covered Property while it is away from the described premises if:

1) It is:

- a) At a location you do not own, lease or operate; or
- b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term.

The most we will pay for loss or damage to this property is the limit shown in the Declarations for property at any location.

2) It is in transit, including airborne and waterborne shipments. Paragraph A.2.i. of the Building and Personal Property Coverage Form and Paragraph A.2.f. of the Condominium Commercial Unit-Owners Coverage Form do not apply to this Coverage Extension.

The following property in transit is not covered:

- a) Property in route to or from Alaska, Hawaii or Puerto Rico.
- b) Property being shipped by way of the Panama Canal.
- c) Property covered under an import or export ocean marine policy.
- d) Export shipments that have been loaded on board the exporting vessel or vehicle.
- e) Import shipments that have not been unloaded from the importing vessel or vehicle.

The most we will pay for loss or damage to this property is the limit shown in the Declarations for property in transit.

3) It is in your care, custody or control or in the care, custody or control of your agent, employee, messenger or salesperson.

The most we will pay for loss or damage to this property is the limit shown in the Declarations for property in the custody of a messenger or salesperson.

- 4) It is at any fair, trade show or exhibition.

The most we will pay for loss or damage to this property is the limit shown in the Declarations for property at any exhibit.

This Coverage Extension applies to property in the Coverage Territory.

This Coverage Extension applies to Covered Property at job sites before it has been installed. Coverage continues after the property has been installed until the owner of the building or structure accepts the work.

This Coverage Extension applies to construction machinery, materials handling machinery and similar self-propelled machinery that you use in your operations. But these provisions do not apply to autos, aircraft or watercraft.

(5) Outdoor Property

- (a) Coverage under the Outdoor Property Coverage Extension is extended to include damage caused by vehicles.

- (b) Coverage provided by the Outdoor Property Coverage Extension is subject to the Direct Loss Blanket Limit. But we will not pay more than \$2,500 for any one tree, shrub or plant.

- c. The following Coverage Extensions are added to the Coverage Form.

Each of these Extensions is additional Insurance. The Additional Condition, Coinsurance, does not apply to these Extensions.

(1) Building Foundations

You may extend the building insurance provided by this policy to apply to foundations of buildings, structures, machinery or boilers that are below:

- (a) The lowest basement floor; or
(b) The surface of the ground, if there is no basement.

Coverage under this Coverage Extension is subject to the Direct Loss Blanket Limit.

(2) Key Replacement and Lock Repair or Replacement

You may extend the insurance provided by this policy to apply to the following expenses after a covered theft loss:

- (a) Replacement of stolen keys; or
(b) Lock repair or replacement.

Coverage under this Coverage Extension is subject to the Direct Loss Blanket Limit.

(3) Limited International Coverage for Your Business Personal Property

(a) Coverage

You may extend the insurance that applies to Your Business Personal Property to apply to Your Business Personal Property that is temporarily outside the Coverage Territory if it is:

- 1) In your care, custody or control; or
- 2) In the care, custody or control of your authorized representative, including another insured or your salesperson(s); or
- 3) While located at a business location owned or operated by you or leased by you; or
- 4) While at any fair, trade show or exhibition.

- (b) This Coverage Extension does not apply to:

- 1) Business Personal Property exported from the Coverage Territory or held for sale outside the Coverage Territory; or
- 2) Property while in the care, custody or control of a common or contract carrier or bailee for hire, except for property while being handled or stored by the carrier that is at the same time transporting you or your authorized representative.

(c) Limit of Insurance

- 1) The most we will pay under Paragraphs (a)1), (a)2) or (a)3) of this Coverage Extension is the limit shown in the Declarations for property in the custody of a messenger or salesperson.
- 2) The most we will pay under Paragraph (a)4) of this Coverage Extension is the Limit of Insurance shown in the Declarations for property at any exhibit.

(d) Loss Settlement

The value of property and the cost of its repair or replacement will be determined in United States currency based on values and costs in the area of the described premises where Your Business Personal Property is permanently located, and subject to all applicable policy provisions including the Valuation and Loss Payment Conditions.

(e) Legal Action Against Us

Any legal action against us concerning coverage provided under this Coverage Extension must be commenced in a court of law in the United States of America or in any other forum to which we consent.

(4) Appurtenant Buildings

You may extend the insurance provided by this policy to:

- (a) Storage buildings, garages and other appurtenant structures within 1,500 feet of a described premises. The most we will pay for loss or damage in a single occurrence under this extension is \$50,000.
- (b) Business Personal Property located in a storage building, garage or other appurtenant structure within 1,500 feet of a described premises. The most we will pay for loss or damage in a single occurrence under this extension is \$25,000.

(5) Lessor Move Back Expenses

You may extend the insurance provided by this policy to include expenses you pay to move a tenant back into the portion of your building temporarily vacated. The vacancy must have occurred due to

a direct physical loss to Covered Property resulting from a Covered Cause of Loss during the policy period.

The tenant must move back within 90 days after the portion of the building rented is ready for occupancy.

Coverage under this Coverage Extension is subject to the Direct Loss Blanket Limit.

(6) Underground Pipes, Flues or Drains

You may extend the building insurance provided by this policy to apply to underground pipes, flues or drains. Coverage under this Coverage Extension is subject to the Direct Loss Blanket Limit.

4. Crime Additional Coverages

Crime Coverages A.4.a. through A.4.f. are added to your policy:

a. Employee Theft

- (1) We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by an employee acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
 - (a) Cause you to sustain loss or damage; and also
 - (b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - 1) Any employee; or
 - 2) Any other person or organization.
- (2) We will not pay for loss or damage:
 - (a) Resulting from any dishonest or criminal act that you or any of your partners or "members" commit whether acting alone or in collusion with other persons.
 - (b) Resulting from any dishonest act committed by any of your employees (except as provided in Paragraph (1)), "managers" or directors:
 - 1) Whether acting alone or in collusion with other persons; or

- 2) While performing services for you or otherwise.
 - (c) The only proof of which as to its existence or amount is:
 - 1) An inventory computation; or
 - 2) A profit and loss computation.
 - (d) Caused by an employee if the employee had also committed theft or any other dishonest act prior to the effective date of this policy and you or any of your partners, "members", "managers" officers, directors or trustees, not in collusion with the employee, learned of that theft or dishonest act prior to the policy period shown in the Declarations.
- (3) If any loss is covered
- (a) Partly by this insurance; and
 - (b) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;
- the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.
- We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- (4) This Additional Crime Coverage is cancelled as to any Employee immediately upon discovery by:
- (a) You; or
 - (b) Any of your partners, "members", "managers", officers or directors not in collusion with employee;
- of any dishonest act committed by that employee before or after being hired by you.
- (5) We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.
- (6) If you (or any predecessor in interest) sustained loss or damage during the policy period or any prior insurance that you could have recovered under that insurance except that the time within which to

discover loss or damage had expired, we will pay for it under this Additional Crime Coverage, provided:

- (a) This Additional Crime Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - (b) The loss or damage would have been covered by this Additional Crime Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- (7) The insurance under Paragraph (6) above is part of, not in addition to, the Limit of Insurance applying to this Additional Crime Coverage and is limited to the lesser of the amount recoverable under:
- (a) This Additional Crime Coverage as of its effective date; or
 - (b) The prior insurance had it remained in effect.
- (8) With respect to the Employee Theft Additional Coverage, employee means:
- (a) Any natural person:
 - 1) While in your service or for 30 days after termination of service;
 - 2) Who you compensate directly by salary, wages or commissions; and
 - 3) Who you have the right to direct and control while performing services for you;
 - (b) Any natural person who is furnished temporarily to you:
 - 1) To substitute for a permanent employee as defined in Paragraph (a) above, who is on leave; or
 - 2) To meet seasonal or short-term workload conditions;
 - (c) Any natural person who is leased to you under a written agreement between you and a labor firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (b) above;

- (d) Any natural person who is a former employee, director, partner, member, manager, representative or trustee retained as a consultant while performing services for you; or
- (e) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside any building you occupy in conducting your business.

But employee does not mean:

- (a) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (b) Any "manager", director or trustee except while performing acts coming within the usual duties of an employee.

b. Forgery or Alteration

- (1) We will pay for loss resulting directly from forgery or alteration of any check, draft, promissory note, bill of exchange or similar written promises in "money" that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
- (2) If you are sued for refusing to pay any instrument covered in Paragraph (1) above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense.
- (3) For the purpose of this Additional Crime Coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act, and will be treated the same as the original it replaced.

c. Money and Securities

- (1) We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee (including a temporary or leased employee) having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:

- (a) Theft, meaning any act of stealing;
- (b) Disappearance; or
- (c) Destruction.

- (2) In addition to the Limitations and Exclusions in the Causes of Loss Special Form, we will not pay for loss from this Additional Crime Coverage:

- (a) Resulting from accounting or arithmetical errors or omissions;
- (b) Due to the giving or surrendering of property in any exchange or purchase;
- (c) Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device; or
- (d) For damage to "money" and "securities" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described premises, bank or savings institution:

- 1) To a person (other than a messenger) outside those premises; or
- 2) To a place outside those premises.

- (3) You must keep records of "money" and "securities" so we can verify the amount of any loss or damage.

d. Computer Fraud and Funds Transfer Fraud

- (1) We will pay for loss or damage to "money", "securities" and "other property" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described premises, bank or savings institution

- (a) To a person (other than a "messenger") outside the described premises; or

- (b) To a place outside the described premises.

- (2) We will pay for loss of "money" and "securities" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "money" and "securities" from your "transfer account".

- (3) We will not pay for loss resulting from:

(a) The use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards of the information contained on such cards; except for as provided by the Unauthorized Business Card Use Additional Coverage.

(b) Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- 1) An inventory computation; or
- 2) A profit and loss computation.

e. Money Orders and Counterfeit Money

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:

- (1) Money orders issued by any post office, express company or bank that are not paid upon presentation
- (2) "Counterfeit money" that is acquired during the regular course of business

f. Unauthorized Business Card Use

- (1) We will pay for loss resulting from the theft or unauthorized use of a Credit, Debit or Charge Card issued in your business name, and to be used solely for business purposes. Coverage includes reasonable legal expenses incurred.
- (2) We will not pay for loss resulting from the theft or unauthorized use of a business card entrusted to others or any of your employees.

g. Crime Additional Coverages Limit of Insurance

- (1) All loss or damage;
 - (a) Caused by one or more persons; or
 - (b) Involving a single act or series of acts; is considered one occurrence.
- (2) The most we will pay for loss or damage in any one occurrence for one or any combination of the Crime Additional Coverages **4. a. through 4. f.** is the Crime Loss Blanket Limit shown in the Declarations.

h. Fraudulent Impersonation

We will pay for loss resulting directly from your having, in good faith, transferred "money", "securities" or "other property" in reliance upon a "transfer instruction" purportedly issued by:

(1) An "employee", or any of your partners, "members", "managers", officers, directors or trustees, or you (if sole proprietorship); or

(2) Your "customer" or "vendor"

But which "transfer instruction" proves to have been fraudulently issued by an imposter without the knowledge or consent of the person in Paragraphs **h. (1)** or **h. (2)**.

The most we will pay in any one occurrence and in aggregate for the policy is \$10,000. There is a \$1,000 deductible that will be applied to this coverage.

- i. The following definitions are added for the Crime Additional Coverages.

(1) "Counterfeit money" means an imitation of "money" which is intended to deceive and be taken as genuine.

(2) "Customer" means an entity or individual to whom you sell goods or provide services under a written contract.

(3) "Fraudulent instruction" means:

(a) An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;

(b) A written instruction (other than those described in Paragraph **A.4.b.** of this endorsement) issued by you, which was forged or altered by someone other than you without your knowledge or consent or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or

(4) "Manager" means a person serving in a directional capacity for a limited liability company.

(5) "Member" means an owner of a limited liability company represented by its membership interest, who may also serve as a manager.

(6) "Messenger" means you, or a relative of yours, or any of your partners or "members", or any employee while having care and custody of property outside the premises;

(7) "Money" means:

(a) Currency, coins and bank notes in current use and having a face value; and

(b) Travelers checks, register checks and money orders held for sale to the public.

Money does not include virtual or electronic currency, such as (but not limited to) bitcoin.

(8) "Other property" means any tangible property other than "money" and "securities" that has an intrinsic value. "Other property" does not include computer programs, electronic data or any property specifically excluded under this insurance.

(9) "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:

(a) Tokens, tickets, revenues and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

(b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".

Securities does not include virtual or electronic currency, such as (but not limited to) bitcoin.

(10) "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "money" and "securities":

(a) By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or

(b) By means of written instructions (other than those described in Paragraph **A.4.b.** of this endorsement) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

(11) "Transfer instruction" means an instruction directing you to transfer "money", "securities", or "other property".

(12) "Vendor" means an entity or individual from whom you purchase goods or receive services under a written contract.

B. Limits Of Insurance

1. Outdoor Signs

a. The limit that applies to covered buildings includes outdoor signs attached to the building. The limit shown in Section **C.** of the Coverage Form does not apply to this policy.

b. The limit that applies to covered business personal property includes detached signs. The limit shown in Section **C.** of the Coverage Form does not apply to this policy.

2. The following provisions are added to Section **C.** of the Coverage Form.

a. Business Personal Property - Seasonal Increase

(1) The Limits of Insurance for Your Business Personal Property and Personal Property of Others will automatically increase by 50% to provide for seasonal variations.

This increase will apply only if the Limit of Insurance for your business personal property shown in the Declarations is at least 100% of your average monthly values during the lesser of:

(a) The twelve months immediately preceding the date the loss or damage occurs; or

(b) The period of time you have been in business as of the date the loss or damage occurs.

(2) This section does not apply to property covered under a value reporting form or to property subject to a blanket limit of insurance that applies to coverage for a building.

b. Direct Loss Blanket Limit

The Direct Loss Blanket Limit shown in the Declarations applies separately to each building specifically described in the Declarations.

At the time of loss you may apportion the Direct Loss to any coverage subject to the limit, or to any combination of coverages subject to the limit. The total amount apportioned at a building may not exceed the Direct Loss Blanket Limit.

If a specific Limit of Insurance is shown in the Declarations for a coverage subject to the Direct Loss Blanket Limit, the specific limit applies in addition to any amount apportioned under the Direct Loss Blanket Limit.

Coverages subject to the Direct Loss Blanket Limit are subject to the Deductible that applies to loss or damage in an occurrence under this policy.

c. Indirect Loss Blanket Limit

The indirect Loss Blanket Limit shown in the Declarations applies separately to each building specifically described in the Declarations.

At the time of loss you may apportion the Indirect Loss Blanket Limit to any coverage subject to the limit, or to any combination of coverages subject to the limit. The total amount apportioned at a building may not exceed the Indirect Loss Blanket Limit.

If a specific Limit of Insurance is shown in the Declarations for a coverage subject to the Indirect Loss Blanket Limit, the specific limit applies in addition to any amount apportioned under the Indirect Loss Blanket Limit.

d. Crime Loss Blanket Limit

The Crime Loss Blanket Limit in the Declarations applies separately to each building specifically described in the Declarations.

At the time of loss you may apportion the Crime Loss Blanket Limit to any coverage subject to the limit, or to any combination of coverages subject to the limit. The total amount apportioned at a building may not exceed the Crime Loss Blanket Limit.

Coverages included in the Crime Loss Blanket Limit are excess over any insurance provided by a Crime Coverage Form included with this policy.

C. Deductible

The following provision is added to Section **D.** of the Coverage Form:

Glass Deductible

Regardless of the amount of the Deductible, the most we will deduct from any loss to covered building glass in any one occurrence is \$250.

This deductible amount will not increase the deductible shown in the Declarations. This deductible will be used to satisfy the requirements of the deductible shown in the Declarations.

D. Loss Conditions

1. Section **E.7. Valuation**, of the Building and Personal Property Coverage Form and Section **E.8. Valuation**, of the Condominium Commercial Unit-Owners Coverage Form are replaced by the following provisions. But these provisions do not apply to property insured subject to a functional valuation endorsement.

7. Valuation

In the event of loss or damage we will determine the value of the Covered Property as follows:

a. Replacement Cost - Building Damage Less than \$5,000

(1) If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$5,000 or less, we will pay the cost of building repairs or replacement.

(2) This provision does not apply to the following even when attached to the building:

(a) Awnings or floor coverings;

(b) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or

(c) Outdoor equipment or furniture.

b. Finished Stock

The value of finished "stock" you have sold but not delivered and of unsold "stock" you manufactured is the selling price less discounts and expenses you otherwise would have had.

At your option, you may make claim for loss or damage to sold and unsold finished "stock" on an actual cash value basis instead of a selling price basis.

c. Glass

The value of glass is its replacement cost. If safety-glazing material is required by statute the value of glass is the cost of replacement with safety-glazing material.

d. Tenants' Improvements and Betterments

(1) The value of tenants' improvements and betterments to which you do not make repairs promptly is a proportion of your original cost. We will determine the proportionate value as follows:

(a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

(b) Divide by the number of days from the installation of the improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

(2) We will not pay for improvements or betterments if others pay for repair or replacement.

e. Exhibitions and Displays

The value of exhibitions and displays is your cost.

f. Patterns and Dies

The value of patterns and dies that are replaced is replacement cost (without deduction for depreciation).

The value of patterns and dies that you do not replace is actual cash value.

Replacement cost settlement is available only if the pattern or die is replaced within 2 years after the date of loss or damage. If the original payment for loss is an

actual cash value settlement, payment may be extended to replacement cost (as of the date of loss) if the pattern or die is replaced within two years.

g. Fine Arts

The value of fine arts is the lowest of the following amounts:

(1) The market value of the property;

(2) The cost of reasonably restoring the property to its condition immediately before loss; or

(3) The cost of replacing the property with substantially identical property.

h. All Other Property

The value of all other property is its actual cash value as of the time of loss or damage.

Replacement cost means the cost to replace lost or damaged property with new property or to repair damaged property using new materials.

i. Coinsurance Waiver

If a coinsurance percentage is shown in the Declarations, this condition only applies when the loss or damage in any one occurrence is greater than \$10,000.

2. The following is added to amend **Loss Conditions E.7., Valuation**, of the Building and Personal Property Coverage Form and **Loss Conditions E.8., Valuation**, of the Condominium Commercial Unit-Owners Coverage Form for Crime Additional Coverages:

Valuation - Settlement

The value of loss for money and securities shall be determined as follows:

1) Loss of "money" but only up to and including its face value. We will, at your option, pay for loss of "money" issued by any country other than the United States of America:

(a) At face value of the "Money" issued by that country; or

(b) In the United States of America dollar equivalent determined by the rate of exchange published in the Wall Street Journal on the day the loss was discovered.

- 2) Loss of "securities" but only up to and including their value at the close of business on the day the loss was discovered. We may at our option:

- (a) Pay the market value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or
- (b) Pay the cost of any lost securities bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
 - (i) Market value of the "securities" at the close of business on the day the loss was discovered; or
 - (ii) The Limit of Insurance applicable to the "securities".

Discovered means the time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this insurance has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known. It also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this insurance.

3. The following is added to amend **Loss Conditions E.4., Loss Payment**, of the Building and Personal Property Coverage Form and **Loss Conditions E.5., Loss Payment**, of the Condominium Commercial Unit-Owners Coverage Form:

Brands And Labels

If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or any part of the property at an agreed or appraised value. If so, you may:

- 1. Stamp "salvage" in the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- 2. Remove the brands or labels, if doing so will not physically damage the merchandise. You must relabel the merchandise or its containers to comply with the law.

The most we will pay under the brands and labels provisions is \$50,000.

Pair, Sets Or Parts

1. Pair Or Set

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

E. Additional Conditions

The following provisions are added to Section F. of the Coverage Form.

- 1. If this policy provides a separate limit for your business personal property at each building, you may, at your option, combine the Limits of Insurance for all buildings and the values at all buildings for the purposes of the Additional Condition, Coinsurance. This will not change the Limit of Insurance that applies at any building.

If you do not exercise this option, the Coinsurance Condition will be applied separately at each building.

- 2. The Additional Condition, Coinsurance, does not apply to Personal Property of Others.

This section does not apply to Personal Property of Others subject to a blanket Limit of Insurance that also applies to other types of property.

- II. The following changes apply to the Business Income Coverage Form, if your policy includes a Business Income Coverage Form:

A. Coverage

Extended Premises Definition

The business income insurance, if any, provided by this policy applies to suspension caused by direct physical loss of or damage to property at the building described in the Declarations, or premises described in the Declarations, whichever distance is greater; including personal property in the open (or in a vehicle) within 1,500 feet, caused by or resulting from any Covered Cause of Loss.

This provision Modifies Section A. of the Business Income Coverage Form.

B. Additional Limitation - Interruption Of Computer Operations

- 1. We will pay up to \$50,000 per policy period for loss from a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data.

Paragraphs **a.** and **b.** of the Additional Limitation - Interruption of Computer Operations are deleted.

The Interruption of Computer Operations Additional Coverage is deleted.

C. Additional Coverages

1. The following provisions modify the Additional Coverages in the Business Income Coverage Form:

a. Civil Authority

- (1) The Civil Authority Additional Coverage provided by the Business Income Coverage Form applies when access to the area immediately surrounding the damaged property is prohibited by civil authority as the result of the damage and the described premises are within that area. The provision that limits coverage to described premises that are one mile from the damage does not apply to your policy.
- (2) The Civil Authority Coverage provided by the Business Income Coverage Form applies for a period of up to 30 days from the date of action by the civil authority unless a longer period is specified in an endorsement included in the policy.

b. Alterations and New Buildings

The Alterations and New Buildings Additional Coverage of the Business Income Coverage Form applies to loss you sustain due to damage to building machinery, equipment, supplies and materials located on or within 1,500 feet of the described premises.

This provision changes Section (3) of the Additional Coverage.

c. Extended Business Income

The period during which the Extended Business Income Additional Coverage of the Business Income Coverage Form applies is increased to 90 days unless a longer period is shown in the Declarations.

2. The following Additional Coverages are added to the Business Income Coverage Form:

a. Business Income From Dependent Properties

We will pay for the actual loss of business income you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must result from a Covered Cause of Loss

which causes direct physical loss or damage to property at a contingent business premises.

All exclusions in this policy that apply to coverage for business income apply to this Additional Coverage.

Coverage under this Additional Coverage is subject to the Indirect Loss Blanket Limit and to any Contingent Business Income Limit shown in the Declarations. Coverage under the Indirect Loss Blanket Limit is excess over any insurance provided subject to the Contingent Business Income Limit.

Contingent business premises means premises operated by others that:

- (1) Deliver material or services (other than water supply services, wastewater removal services, communications or power supply services) to you, or to others for your account.
- (2) Accept your products or services.
- (3) Manufacture products for delivery to your customers under contract of sale.
- (4) Attract customers to your business.

The "period of restoration" definition in the Business Income Coverage Form applies to loss covered by this Additional Coverage. But the "period of restoration" begins when the damage to the contingent business premises occurs and ends when that damage should be repaired, rebuilt or replaced.

The coverage provided by this Additional Coverage is excess above any insurance provided by a Business Income Dependent Properties Endorsement included in this policy.

b. Business Income From Interruption of Utility Services

We will pay for loss of business income at the building described in the Declarations if the business income loss is caused by the interruption of utility service to the building. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property, not on the premises described in the Declarations.

- (1) Water Supply Property, meaning the following types of property that supply water to the premises:
 - (a) Pumping station; and
 - (b) Water mains.

(2) Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility, and includes such facility.

(3) Communication Supply Property, meaning property supplying communication services, including telephone, radio, microwave or television services to the premises, such as:

(a) Communication transmission lines, including fiber optic transmission lines;

(b) Coaxial cable; and

(c) Microwave relay radios except satellites.

(4) Power Supply Property, meaning the following types of property supplying electricity, steam or gas to the premises;

(a) Utility generating plants;

(b) Switching stations;

(c) Substations;

(d) Transformers; and

(e) Transmission lines.

As used in this Additional Coverage, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

Coverage under this Additional Coverage is subject to the Indirect Loss Blanket Limit. But we will not pay for any interruption of less than 12 hours.

The coverage provided by this Additional Coverage is excess above any insurance provided by an Off Premises Services - Time Element Endorsement contained in this policy.

All exclusions in this policy that apply to coverage for business income apply to this Additional Coverage.

All interruptions arising from a single event are a single occurrence.

The definition of business income in the Business Income Coverage Form applies to this Additional Coverage.

c. Business Income Resulting From Damage to Property Away from Described Premises.

We will pay for the actual loss of business income you sustain due to necessary suspension of your "operations" as a result of direct physical loss of or damage to Covered Property away from described premises by any Covered Cause of Loss.

This coverage is provided only during the "period of restoration".

Coverage under this Additional Coverage is subject to the Indirect Loss Blanket Limit and to any Business Income Resulting From Damage to Property Away From Described Premises Limit shown in the Declarations. Coverage under the Indirect Loss Blanket Limit is excess over any insurance provided subject to the Business Income Resulting From Damage to Property Away From Described Premises Limit.

d. Claim Preparation Expenses

We will pay the reasonable expenses you necessarily incur with our permission to prepare documentation that substantiates your claim for loss under the Business Income Coverage Form.

This coverage does not apply to public adjuster fees or to attorney fees or other costs for legal services.

Coverage under this Additional Coverage is subject to the Indirect Loss Blanket Limit.

e. Ordinance or Law - Increased Period of Restoration

We will pay the amount of actual and necessary loss you sustain during the increase period of "suspension" of "operations" caused by or resulting from enforcement requirement to comply with any ordinance or law that:

- (1) Regulates the construction or repair of any property;
- (2) Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and
- (3) Is in force at the time of loss.

Coverage is not extended under this endorsement to include loss caused by or resulting from the enforcement of or compliance with any ordinance or law which requires:

- (1) The demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
- (2) Any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

For this coverage, the third paragraph of Definition **F.3.** is replaced with the following:

"Period of Restoration" includes any increased period required to repair or reconstruct the property to comply with the minimum standards of any ordinance or law, in force at the time of loss, that regulates the construction or repair, or requires the tearing down of any property.

Coverage under this Additional Coverage is subject to the Indirect Loss Blanket Limit.

D. Coverage Extension

1. The following provision modifies the Coverage Extensions in the Business Income Coverage Form.

Newly Acquired Locations

- a. The most we will pay for loss under this Extension, for the sum of Business Income and Extra Expense (if applicable), is the highest Limit of Insurance for Business Income Coverage at any building shown in the Declarations, but not more than \$500,000 or the Business Income - Newly Acquired Locations limit shown in the Declarations.

This change modifies Paragraph **b.** of the Coverage Extension.

- b. Coverage at newly acquired locations expires 180 days after you acquire or begin to construct the property.

This change modifies Paragraph **c.(2)** of the Coverage Extension.

2. The following Additional Coverage Extensions are added to the Business Income Coverage Form:

Lessor's Lease Cancellation - Loss of Income

If "Rental Value" is shown in the Declaration for Business Income Coverage you may extend your Business Income Coverage to include the cancellation of a lease by your tenant due to untenability caused by a Covered Cause of Loss to a covered building. The tenant must have occupied the building prior to the loss.

Coverage extends from the end of the period of restoration until such time you are able to lease the space to another tenant or the end of the policy period, whichever occurs first.

Coverage under this Coverage Extension is subject to the Indirect Loss Blanket Limit.

E. Limits

The following is added to Section **B.** of the Business Income Form:

Indirect Loss Blanket Limit

The indirect Loss Blanket Limit shown in the Declarations applies separately to each premises specifically described in the Declarations.

At the time of loss you may apportion the Indirect Loss Blanket Limit to any coverage subject to the limit, or to any combination of coverages subject to the limit. The total amount apportioned at a building may not exceed the Indirect Loss Blanket Limit.

If a specific Limit of Insurance is shown in the Declarations for a coverage subject to the Indirect Loss Blanket Limit, the specific limit applies in addition to any amount apportioned under the Indirect Loss Blanket Limit.

F. Definitions

Period of Restoration

1. Paragraph **a.(1)** of Definition **F.3.** is replaced by the following, except for loss caused by earthquake to buildings over 4 stories in height:

(1) Immediately after the time of direct physical loss or damage for Business Income Coverage; or

2. Paragraph **a.(1)** of Definition **F.3.** applies to loss caused by earthquake to buildings over 4 stories in height.

III. The following provisions modify the Causes of Loss Special Form:

A. Building Ordinance Coverage

The building insurance, if any, provided by this policy covers loss caused by the enforcement of building laws that regulate the construction, use or repair of property, or which require property to be torn down.

Exclusion **B.1.a.** of the Causes of Loss Special Form does not apply to the Building Ordinance Coverage provided by this policy.

B. Property Away From Described Premises - Earth Movement and Water Damage

We will pay for personal property away from described premises if loss is caused by Earth Movement or Water.

The Earth Movement exclusion in Section **B.1.b.** of the Causes of Loss Special Form and the Water exclusion in section **B.1.g.** of the Causes of Loss Special Form or in an endorsement attached to this policy do not apply to personal property away from described premises.

C. Utility Services

We will pay for loss caused by failure of power supply property, communication supply property, water supply property, wastewater removal property or other utility service to the described premises. The interruption in Utility Service must result from a direct physical loss or damage by a Covered Cause of Loss.

This coverage deletes Exclusion **B.1.e.** of the Causes of Loss Special Form.

D. Sewer Back Up or Underground Seepage

We will pay for loss or damage caused by:

1. Water that backs up from a sewer or drain; or

2. Water under the ground surface pressing on, or flowing or seeping through:

- (a) Foundations, walls, floors or paved surfaces;
- (b) Basements, whether paved or not; or
- (c) Doors, windows or other openings.

We will not pay more than \$25,000 or the Sewer Back Up Limit shown in the Declarations for loss or damage by these causes of loss in any one occurrence.

The third and fourth numbered paragraphs of the Water exclusion in the Causes of Loss Special Form or in an endorsement attached to this policy do not apply to this coverage.

E. Electrical Damage

We will pay for loss caused by artificially generated electrical current and by electrical arcing.

This coverage deletes Exclusion **B.2.a.** of the Causes of Loss Special Form.

F. Humidity, Temperature, Marring or Scratching

We will pay for personal property damaged by the following:

1. Dampness or dryness of atmosphere;
2. Changes in or extremes of temperature; or
3. Marring or scratching.

We will not pay more than \$25,000 or the Humidity, Temperature, Marring or Scratching limit shown in the Declarations for loss or damage by these causes of loss in any one occurrence.

Exclusion **B.2.d.(7)** of the Causes of Loss Special Form does not apply to this coverage.

G. False Pretense

We will pay for property you rent or lease to others and for property temporarily away from your premises for trial or demonstration if someone caused you to voluntarily part with the property by any fraudulent scheme, trick, device or false pretense.

You must notify the police in the event of loss or damage under this coverage. You must also make every effort to recover the property when it is located.

The most we will pay for loss in any one occurrence is \$5,000. Occurrence means an act or a series of related acts involving one or more persons.

We will deduct \$250 from the amount that we will pay for loss or damage in any one occurrence.

Exclusion **B.2.i.** of the Causes of Loss Special Form does not apply to this coverage.

H. Property in the Open

We will pay for loss caused by rain, snow, ice or sleet that damages personal property in the open.

We will not pay more than \$10,000 or the Property in the Open Limit shown in the Declarations for loss or damage by these causes of loss in any one occurrence.

Exclusion **B.2.j.** of the Causes of Loss Special Form does not apply to this coverage.

I. Damage to Finished "Stock"

Business Income Coverage includes loss resulting from damage or destruction of finished "stock" or the time to replace finished "stock". This coverage deletes exclusion **B.4.a.(1)** of the Causes of Loss Special Form.

J. Interior Damage

Damage caused by rain, snow, sleet, ice, sand or dust to the interior of any covered building or structure, or to any Covered Property in a building or structure, is covered.

This coverage deletes Limitation **C.1.c.** of the Causes of Loss Special Form.

K. Theft of Building Materials Away From Described Premises

Building materials away from described premises are covered for loss caused by theft.

Limitation **C.1.d.** of the Causes of Loss Special Form does not apply to building materials away from described premises.

L. Builders Machinery, Tools and Equipment

Builders machinery, tools and equipment that are away from described premises are covered up to the applicable Limit of Insurance.

This coverage deletes Limitation **C.2.c.** of the Causes of Loss Special Form.

M. Industrial Diamonds and Precious Metals

We will pay up to \$25,000 or the Industrial Diamonds and Precious Metals Limit shown in the Declarations for theft of industrial diamonds or bullion, gold, silver, platinum and other precious alloys or metals.

Limitation **C.3.b.** of the Causes of Loss Special Form does not apply to this coverage.

N. Patterns and Dies

We will pay for theft of patterns, dies, molds or forms up to the applicable Limit of Insurance.

This coverage deletes Limitation **C.3.c.** of the Causes of Loss Special Form.

O. Property in Transit

Covered Property in transit is included in the coverage for personal property away from described premises.

Additional Coverage Extension **F.1.** of the Causes of Loss Special Form does not apply to this policy.

SERFF Tracking #:	SEPX-131459175	State Tracking #:		Company Tracking #:	FLOOD/QUAKE SBP FORM
<hr/>					
State:	District of Columbia	First Filing Company:	Sentry Insurance a Mutual Company, ...		
TOI/Sub-TOI:	01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)				
Product Name:	Commercial Fire				
Project Name/Number:	DC - C/W - CF-2017-RFLLC/OFLFR/RFLRU - 01 71 74 - 2018/005.9956-18079				

Rate Information

Rate data does NOT apply to filing.

State:	District of Columbia	First Filing Company:	Sentry Insurance a Mutual Company, ...
TOI/Sub-TOI:	01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)		
Product Name:	Commercial Fire		
Project Name/Number:	DC - C/W - CF-2017-RFLLC/OFLFR/RFLRU - 01 71 74 - 2018/005.9956-18079		

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		Company Exception Page	CF-CE-4 thru 18	Replacement	SEPX-G130336385	SBP CF-CE-4 thru 18 10 18.pdf
2		Company Exception Page	MLCP-CE-2	Replacement	SEPX-G129662141	SBP MLCP-CE-2 10 18 Final.pdf

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Rule 54. COMMON TIME ELEMENT OPTIONS

Rule 54.B.4.a. is replaced by the following:

- a.** Rule. The rates or loss costs shown in the multistate rates apply only to Public Utilities.

Multiply these rates or loss costs by 2 for risks other than Public Utilities.

Rule 66. LEGAL LIABILITY COVERAGE FORM

Rule 66.F.4. is replaced by the following:

- 4.** Premium Determination. Do not charge for Endorsement CP 04 25.

Rule 72. CAUSES OF LOSS - SPECIAL FORM

Rule 72. C.2. Stock, does not apply.

Rule 74.F Sprinkler Leakage – Earthquake Extension

- a.** Rule 74.F.4.c.(3) is added

(3) Blanket Sub-Limit Earthquake Sprinkler – Leakage Coverage

A single blanket sub-limit may be written for property damage coverage and time element coverage for a single location or for multiple locations combined under a policy. For rating instruction on combining property damage coverage with time element coverage, refer to Paragraph 74.F.6.

- b.** Rule 74.F.6 is added

6. Rate Determination for Blanket Sub-Limit Earthquake Sprinkler Leakage Coverage

- a.** Determine the 100% values for both property damage and time element coverages. For time element coverage, other than Extra Expense Only, use the annual net income as the 100% value. For Extra Expense Only Coverage, use the Extra Expense limit of insurance for other perils as the 100% value.
- b.** Sum the 100% values for both property damage and time element coverages.
- c.** Divide the blanket sub-limit by the result of (b) to determine the sub-limit percentage
- d.** For each item written under the blanket sub-limit, use the result from (c), the sublimit percentage, to determine the sub-limit factor for that item. For property damage coverages, select the sub-limit factor from Table 74.F.4.c.(1)(a) in the state exceptions. Follow Rule 74.F.4.c.(1)(b) to interpolate sub-limit factors in between percentages shown in the table. For sub-limit percentage less than 10%, use the factor shown for 10% times 1.10. For time element coverages, select a factor from multistate Table 50.E.3.b.#1 or Table 50.E.3.b.#2. Apply a factor of 1.0 when coverage is for Extra Expense Only.

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- e. For each item written under the blanket sub-limit, calculate an earthquake sprinkler-leakage rate from Rule 74.F.5. For time element items, use the earthquake sprinkler-leakage building rate.
- f. For each item written under the blanket sublimit, calculate the earthquake sprinkler leakage sub-limit rate by multiplying the earthquake sprinkler leakage sub-limit factor by the earthquake sprinkler-leakage rate.
- g. For each item written under the blanket sub-limit, multiply the 100% value determined in (a) by the earthquake sub-limit rate determined in (f). Total the results of these calculations.
- h. Divide the total determined in (g) by the result of (b) to determine the earthquake sprinkler-leakage blanket average rate.
- i. Multiply the result of (h) by the blanket sub-limit (in hundreds) to develop the blanket sub-limit premium.

Rule 76. Flood Coverage Endorsement

76.C.7.a.(1) is replaced by the following:

- (1) Select the Flood loss cost from Rule 76. In the state rates based on construction and location, including Flood Zone. Loss costs for zone X500 will be capped at 1.5 times the zone X loss costs. Flood zones are based on those applicable to the location under the National Flood Insurance Program (NFIP). The following site can be used as a source of NFIP flood zones:
<http://msc.fema.gov/portal>.

Rule 81. DEDUCTIBLE INSURANCE PLAN

A. Rule 81.C.4. is replaced by the following:

- 4. Different deductible amounts may be established for any cause of loss at each location. If a separate deductible amount is chosen, all covered property at that location must be written using the same deductible amount for that cause of loss.

B. Rule 81.E. is replaced by the following:

E. Rate Modification

- 1. Deductible Factor Determination. Select the deductible rate factor from the Table of Factors.

- a. Specific Insurance. If a separate deductible applies to:

- (1) Windstorm or Hail cause of loss, apply the deductible factor associated with the windstorm or hail dollar deductible amount to the Group II rate. No further modifications should be made to the Group II rate for deductible purposes.
- (2) Theft cause of loss, apply the deductible factor associated with the Theft deductible amount to the Special Causes of Loss rate. No further modifications should be made to the Including Theft rate for deductible purposes.

- b. Blanket Insurance. Deductible factors must then be applied to the 80% coinsurance rate for covered property prior to calculating the blanket average rate.

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2. Rate Modification

- a. Multiply the rates contemplating a base deductible of not more than \$500 by the factor shown in the table in this rule.
- b. Do not apply the factor to the rates for any form contemplating a base deductible equal to or exceeding the amount of the deductible determined under this Plan.
- c. When the base deductible exceeds \$500, unless otherwise provided, the deductible factor from the table is increased by one-half the difference between 1.00 and the factor.
- d. When a lower deductible amount applies to a cause of loss subject to this rule, the deductible factor that applies to the rate for that cause of loss is increased by one-half the difference between 1.00 and the deductible factor that would otherwise apply.

3. Table of Factors for Deductible Coverage

Deductible Amount	Deductible Factor
\$1,000	0.96
\$2,500	0.90
\$5,000	0.83
\$10,000	0.75
\$25,000	0.63
\$50,000	0.55
\$75,000	0.50

**COMMERCIAL LINES MANUAL
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II. Additional Rules to the Commercial Lines Manual Division Five – Fire and Allied Lines

Rule 14-1 CONDITIONS AND SIGNATURES

- A.** Attach Additional Conditions - Membership and Participation, form 80-2313 to all policies issued by Sentry Insurance A Mutual Company.
- B.** Attach Additional Conditions - Participation, form 80-2314 (MS) to all policies issued by any of the following:
 - 1. Middlesex Insurance Company
 - 2. Patriot General Insurance Company

Rule 14-2 ADDITIONAL ENDORSEMENTS

- A.** Attach Personal Property Leased to You, endorsement CP 70 23, to all policies that cover the insured's business personal property.
- B.** Attach Replacement Cost, endorsement CP 70 24, to provide Contingent Replacement Cost coverage to policies that cover building property or business personal property items.

Do not attach CP 70 24 to coverage for property subject to functional valuation.
- C.** Attach Theft Damage to Buildings, endorsement IL 70 11, to all policies that cover personal property against loss by theft.

Rule 14-3 MULTIPLE LINE OCCURRENCE DEDUCTIBLE

Attach Multiple Line Occurrence Deductible, endorsement IL 70 26, to all policies.

Rule 38-3 ADDITIONAL INSURED

- A.** Description of Coverage. This form is used to include named individuals as insureds under the policy. This form is used when the named individual does not have an interest in all of the property insured by the policy.
- B.** Form. Use Endorsement CP 70 11.

RULE 38-5 SPECIAL BROADENED PROPERTY COVERAGE

- A.** Description of Coverage. This form may be used for insureds that have property exposures in addition to those at declared premises. Coverage applies to covered property anywhere in the policy territory, including in transit. The form also provides additional coverage for property at the insured's premises.

**COMMERCIAL LINES MANUAL
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The minimum limits for property away from the specified premises are:

Property at any location	\$500,000
Property in Transit in any one Vehicle	50,000
Property in the custody of a messengers or a salesmen	25,000
Property at any exhibition	100,000

B. Form. Use endorsement CP 80 26.

C. Rules.

1. The policy must provide coverage on the insured's business personal property.
2. The Special Causes of Loss Form must apply to all covered property.
3. The Inflation Guard option must apply to all covered buildings.

D. Optional Coverages

1. Increased Limits. Endorsement CP 80 26 covers the following exposures indicated below. Increased coverage may be activated by an appropriate entry in the Declarations. Refer to Section E of this rule for premium instructions.

a. Debris Removal	\$ 50,000
b. Pollutant Clean-up and Removal	100,000
c. Newly Acquired or Constructed Building	1,500,000
d. Business Income - Newly Acquired Locations	500,000*
e. Sewer Back Up or Underground Seepage	25,000
f. Humidity, Temperature, Marring or Scratching	25,000
g. Property in the Open	10,000
h. Industrial Diamonds and Precious Metals	25,000

2. Demolition Cost. Coverage is subject to the Direct Loss Blanket Limit. Use the Ordinance or Law Coverage option described in CLM Division Five to provide specific additional coverage.
3. Increased Cost of Construction. Coverage is subject to the Direct Loss Blanket Limit. Use the Ordinance or Law Coverage option described in CLM Division Five to provide specific additional coverage.
4. Valuable Papers (Other than Electronic Data). Coverage is subject to the Direct Loss Blanket Limit. Use the increased limit option described in CLM Division Five and Valuable Papers rates determined in accordance with CLM Division Eight to provide specific additional coverage.
5. Civil Authority.* Coverage is provided for 30 days. Use the procedures and factors described in CLM Division Five to provide coverage for longer periods.
6. Extended Business Income.* Coverage is provided for 90 days. Use the procedures described in CLM Division Five and the rate factors in section E of this rule to provide coverage for longer periods.
7. Business Income From Dependent Property.* Coverage is subject to the Indirect Loss Blanket Limit. Make an appropriate entry in the Declarations to provide specific additional coverage. Refer to section E of this rule for premium instructions.
8. Business Income From Interruption of Utility Services.* Coverage is subject to the Indirect Loss Blanket Limit. Use the Time Element Utility Services option described in CLM Division Five to provide specific additional coverage.

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9. Business Income Resulting From Damage to Property Away from Described Premises.* Coverage is subject to the Indirect Loss Blanket Limit. Make an appropriate entry in the Declarations to provide specific additional coverage. Refer to section E of this rule for premium instructions.

*Available only if policy includes business income coverage form.

E. Premium Determination

1. Property at fixed locations

- a.** Buildings. Use rates and rules from Commercial Lines Manual Division 5.
b. Personal property

- (1) Use rates and rules from Commercial Lines Manual Division 5.
(2) Charge an additional premium for the policy. No other rating factors (deviations, deductible factors, PMF's, IRPM, etc.) apply to the additional premium.

<u>TOTAL AMOUNT OF PERSONAL PROPERTY AT ALL PREMISES</u>	<u>WITHOUT BUSINESS INCOME</u>	<u>INCLUDING BUSINESS INCOME</u>
Less than \$100,000	\$ 215	\$ 290
100,000 - 299,999	300	375
300,000 - 499,999	350	425
500,000 - 749,999	495	570
750,000 - 999,999	555	630
1,000,000 - 1,999,999	585	660
2,000,000 or more	645	720

2. Personal property not at fixed locations

- a.** Minimum limits. Included in additional premium charge from 1.b.(2) above; make no further adjustments.
b. Increased limits. Increase additional premium charge from 1.b.(2) above by the amount from the table below.

(1) Property at any location

<u>TOTAL AMOUNT OF PERSONAL PROPERTY AT ALL PREMISES AT ALL INCEPTION</u>	<u>Increased Limits</u>							
	<u>More Than Up To</u>	<u>500,000 600,000</u>	<u>600,000 700,000</u>	<u>700,000 800,000</u>	<u>800,000 900,000</u>	<u>900,000 1,000,000</u>	<u>1,000,000 1,500,000</u>	<u>1,500,000 2,000,000*</u>
Less than 100,000		\$7	\$13	\$19	\$25	\$32	\$60	\$87
100,000 - 299,999		8	16	23	31	39	73	106
300,000 - 499,999		10	19	28	37	46	86	125
500,000 - 749,999		11	22	33	43	53	101	147
750,000 - 999,999		13	26	38	50	62	117	171
1,000,000 - 1,999,999		18	35	51	68	84	159	231
2,000,000 or more		29	56	83	110	137	258	375

**SENTRY INSURANCE A MUTUAL COMPANY
MIDDLESEX INSURANCE COMPANY
PATRIOT GENERAL INSURANCE COMPANY
CF-CE-9**

Edition 10-18

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(2) In any one vehicle/vessel

TOTAL AMOUNT OF
PERSONAL
PROPERTY

AT ALL PREMISES <u>AT ALL INCEPTION</u>	More Than Up To	Increased Limits			
		50,000 <u>100,000</u>	100,000 <u>150,000</u>	150,000 <u>200,000</u>	200,000 <u>250,000*</u>
Less than 100,000		\$24	\$44	\$63	\$81
100,000 - 299,999		29	53	76	99
300,000 - 499,999		34	63	90	117
500,000 - 749,999		39	73	105	136
750,000 - 999,999		46	85	123	159
1,000,000 - 1,999,999		62	116	166	215
2,000,000 or more		101	188	270	350

(3) In the custody of messengers and salesmen

TOTAL AMOUNT OF
PERSONAL
PROPERTY

AT ALL PREMISES <u>AT ALL INCEPTION</u>	More Than Up To	Increased Limits				
		25,000 <u>50,000</u>	50,000 <u>100,000</u>	100,000 <u>150,000</u>	150,000 <u>200,000</u>	200,000 <u>250,000*</u>
Less than 100,000		\$7	\$18	\$28	\$38	\$47
100,000 - 299,999		9	23	35	47	58
300,000 - 499,999		9	26	41	54	68
500,000 - 749,999		12	31	48	64	80
750,000 - 999,999		13	36	56	76	93
1,000,000 - 1,999,999		18	49	76	101	125
2,000,000 or more		29	79	123	184	204

(4) At any exhibition

TOTAL AMOUNT OF
PERSONAL
PROPERTY

AT ALL PREMISES <u>AT ALL INCEPTION</u>	More Than Up To	Increased Limits		
		100,000 <u>150,000</u>	150,000 <u>200,000</u>	200,000 <u>250,000*</u>
Less than 100,000		\$4	\$7	\$10
100,000 - 299,999		4	9	13
300,000 - 499,999		5	10	15
500,000 - 749,999		6	12	18
750,000 - 999,999		7	14	21
1,000,000 - 1,999,999		10	19	28
2,000,000 or more		16	30	45

*Use established Inland Marine underwriting procedures to determine additional premium for limits in excess of those in the table.

**SENTRY INSURANCE A MUTUAL COMPANY
MIDDLESEX INSURANCE COMPANY
PATRIOT GENERAL INSURANCE COMPANY
CF-CE-10**

Edition 10-18

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3. Optional coverages

a. Increased limits.

- (1) Debris Removal. Charge \$.15 per \$100 for limits in excess of standard limit.
- (2) Pollutant Clean Up and Removal. Charge \$.15 per \$100 for limits in excess of standard limit.
- (3) Newly Acquired or Constructed Buildings. No charge.
- (4) Business Income - Newly Acquired Locations. No charge.
- (5) Sewer Back Up or Underground Seepage. Charge \$.01 per \$100 for limits in excess of standard limit.
- (6) Humidity, Temperature, Marring or Scratching. Charge \$0.05 per \$100 for limits in excess of standard limit.
- (7) Property in the Open. Charge \$.25 per \$100 for limits in excess of standard limit.
- (8) Industrial Diamonds and Precious Metals. Charge \$.10 per \$100 for limits in excess of standard limit.

b. Extended Business Income. Use the following factors for longer periods.

Coverage Period (in days)	Factor
120	1.05
150	1.10
180	1.20
270	1.25
365	1.30
450	1.35
540	1.40
630	1.45
730	1.50

- c.** Business Income from Dependent Property. Charge \$.15 per \$100 for specific coverage.
- d.** Business Income Resulting From Damages to Property Away From Described Premises. Charge \$1.00 per \$100 for specific coverage.

Rule 38-6 CUSTOMERS' PATTERNS, DIES, AND MOLDS

- A.** Description of coverage. This form may be used to cover patterns, dies and molds that belong to the insured's customers. Coverage is excess over any other coverage that applies to the property.
- B.** FORM. Use endorsement CP 80 31.
- C.** RULES
 1. The minimum limit of insurance is \$100,000.
 2. The Special Causes of Loss Form must apply to all covered property.

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- D. PREMIUM DETERMINATION.** Multiply the limit of insurance by the applicable rate (per \$100 of insurance).

	<u>Rate</u>
Sprinklered Premises	\$.05
Nonsprinklered Premises	.10

Rule 38-7 RESERVED FOR FUTURE USE

Rule 38-8 ELECTRONIC MEDIA AND RECORDS COVERAGE

- A. Description of Coverage.** This form is used when electronic media and records are insured as a separate item.
- B. Form.** Use endorsements CP 70 43.
- C. Rule.** The Causes of Loss Special Form must apply to covered property.
- D. Rate.** Multiply the Basic Group 1 rate that applies to personal property at the premises by 1.82.
- E. Premium Determination.** Multiply the limit of insurance by the rate.

Rule 38-9 EMPLOYEE PROPERTY

- A. Description of Coverage.** This endorsement is used to provide coverage on employee-owned tools used in the insured's business. Coverage applies at the insured's premises and elsewhere.

A separate deductible applies to each employee if employee property is the only property damaged in an occurrence. The property occurrence deductible applies in other situations.

- B. Form.** Use endorsement CP 80 06.
- C. Premium Determination.** Multiply the Employee Property limit by the personal property Basic Group 1, Group 2, and Special Form rates.

Rule 51-2 ANNUAL BUSINESS INCOME

- A. Description of Coverage.** This form changes Business Income coverage to provide coverage for a period of 12 months after the date of direct physical loss or damage. No specific limit of insurance or coinsurance percentage is displayed in the Declarations.
- B. Form.** Use Endorsement CP 70 26.
- C. Ineligibility.** Do not use CP 70 26 when:
1. The Monthly Limit of Insurance option is applicable.
 2. The Maximum Period of Indemnity option is applicable.
 3. The Ordinary Payroll Limitation or Exclusion is applicable.
 4. The Discretionary Payroll Option is applicable.

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D. Premium Determination.

- 1. Annual Business Income Exposure.** Multiply the annual sales by the appropriate factor from the table below to determine the Annual Business Income exposure. (For Rental Properties/Private Warehouses, multiply the building value by the rental property factor.)

a) Business Income (and Extra Expense) Form CP 00 30

Mercantile/Non-Manufacturing	.14
Manufacturing	.33
Rental Property/Private Warehouse	.17

b) Business Income (Without Extra Expense) Form CP 00 32

Mercantile/Non-Manufacturing	.13
Manufacturing	.30
Rental Property/Private Warehouse	.15

- 2. Rate Modification.** Multiply the base rate by the appropriate factor from the table below. Exception: do not apply the following Rate Modifications to the Special Cause of Loss base rate. Use the factor applicable to the insured's principal business. For combined operations, determine a weighted factor as described in Rule 50.E.1.c.

a) Business Income (and Extra Expense) Form CP 00 30

Mercantile/Non-Manufacturing	.50
Manufacturing	.66
Rental Property/Private Warehouse	.47

b) Business Income (Without Extra Expense) Form CP 00 32

Mercantile/Non-Manufacturing	.46
Manufacturing	.60
Rental Property/Private Warehouse	.43

- 3. Multiply the exposure by the modified rate.**

E. Optional Coverage Periods

1. 6 Months

a) Exposure factors

(1) Business Income (and Extra Expense) Form CP 00 30

Mercantile/Non-Manufacturing	.07
Manufacturing	.17
Rental Property/Private Warehouse	.09

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(2) Business Income (Without Extra Expense) Form CP 00 32

Mercantile/Non-Manufacturing	.06
Manufacturing	.15
Rental Property/Private Warehouse	.08

b) Rate Modification

(1) Business Income (and Extra Expense) Form CP 00 30

Mercantile/Non-Manufacturing	.76
Manufacturing	1.00
Rental Property/Private Warehouse	.72

(2) Business Income (Without Extra Expense) Form CP 00 32

Mercantile/Non-Manufacturing	.69
Manufacturing	.90
Rental Property/Private Warehouse	.65

2. 9 Months

a) Exposure factors

(1) Business Income (and Extra Expense) Form CP 00 30

Mercantile/Non-Manufacturing	.11
Manufacturing	.25
Rental Property/Private Warehouse	.13

(2) Business Income (Without Extra Expense) Form CP 00 32

Mercantile/Non-Manufacturing	.10
Manufacturing	.23
Rental Property/Private Warehouse	.11

b) Rate Modification

(1) Business Income (and Extra Expense) Form CP 00 30

Mercantile/Non-Manufacturing	.64
Manufacturing	.81
Rental Property/Private Warehouse	.59

(2) Business Income (Without Extra Expense) Form CP 00 32

Mercantile/Non-Manufacturing	.58
Manufacturing	.73
Rental Property/Private Warehouse	.54

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3. 18 Months

a) Exposure factors

(1) Business Income (and Extra Expense) Form CP 00 30

Mercantile/Non-Manufacturing	.21
Manufacturing	.50
Rental Property/Private Warehouse	.26

(2) Business Income (Without Extra Expense) Form CP 00 32

Mercantile/Non-Manufacturing	.19
Manufacturing	.45
Rental Property/Private Warehouse	.23

b) Rate Modification

(1) Business Income (and Extra Expense) Form CP 00 30

Mercantile/Non-Manufacturing	.47
Manufacturing	.62
Rental Property/Private Warehouse	.43

(2) Business Income (Without Extra Expense) Form CP 00 32

Mercantile/Non-Manufacturing	.43
Manufacturing	.56
Rental Property/Private Warehouse	.38

4. 24 Months

a) Exposure factors

(1) Business Income (and Extra Expense) Form CP 00 30

Mercantile/Non-Manufacturing	.28
Manufacturing	.66
Rental Property/Private Warehouse	.34

(2) Business Income (Without Extra Expense) Form CP 00 32

Mercantile/Non-Manufacturing	.25
Manufacturing	.60
Rental Property/Private Warehouse	.30

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b) Rate Modification

(1) Business Income (and Extra Expense) Form CP 00 30

Mercantile/Non-Manufacturing	.47
Manufacturing	.62
Rental Property/Private Warehouse	.43

(2) Business Income (Without Extra Expense) Form CP 00 32

Mercantile/Non-Manufacturing	.43
Manufacturing	.56
Rental Property/Private Warehouse	.38

Rule 74-1 EQUIPMENT BREAKDOWN COVERAGE

- A. Description of Coverage.** Equipment Breakdown Coverage will be added to all policies to insure Covered Property against loss resulting from pressure vessels, electrical damage, and mechanical breakdown.
- B. Forms**
1. Attach endorsement CP 70 47 to policies that contain the Causes of Loss Special Form.
 2. Optional endorsement CP 70 54 will be attached to policies where the equipment breakdown deductible amount is different from the property deductible amount.
 3. Other endorsements may be attached as appropriate.
- C. Coverage Options**
1. Increased Consequential Loss Limit. The standard limit of \$250,000 may be increased by displaying a higher limit of insurance in the declarations.
 2. Increased Refrigerant Contamination Limit. The standard limit of \$250,000 may be increased by displaying a higher limit of insurance in the declarations.
- D. Premium Determination**
1. All Accounts will be divided into manufacturing operations and non-manufacturing operations based on NAIC codes. Manufacturing risks will have a \$.028/\$100 rate; and Non-Manufacturing risk will have a \$.012/\$100 rate. See the below table, which uses the first 2 digits of the NAIC code, for determination of manufacturing vs non-manufacturing.

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b) Rate Modification

(1) Business Income (and Extra Expense) Form CP 00 30

Mercantile/Non-Manufacturing	.47
Manufacturing	.62
Rental Property/Private Warehouse	.43

(2) Business Income (Without Extra Expense) Form CP 00 32

Mercantile/Non-Manufacturing	.43
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 2. Increased Refrigerant Contamination Limit. The standard limit of \$250,000 may be increased by displaying a higher limit of insurance in the declarations.
- D. Premium Determination**
1. All Accounts will be divided into manufacturing operations and non-manufacturing operations based on NAIC codes. Manufacturing risks will have a \$.028/\$100 rate; and Non-Manufacturing risk will have a \$.005/\$100 rate. See the below table, which uses the first 2 digits of the NAIC code, for determination of manufacturing vs non-manufacturing.

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2 Digit NAIC Codes and Description	Mfg or Non-Mfg	Exceptions to 2 Digit NAIC Codes
11 Agriculture/Farming/Growing/Livestock	Mfg	115112 Soil Preparation 115113 Crop Harvesting by Machine 115114 Post Crop Harvest Activities 115115 Farm Labor Contractors 115116 Farm Management Services 115210 Livestock Services excl Vet
21 Mining/Quarrying,	Mfg	
22 Utility Services and Generation	Mfg	
23 Construction/Trade Contractors	Non-Mfg	237120 Oil & Gas Pipeline Construct
31 Food/Beverage/Textile Production	Mfg	
32 Wood/Plastic/Mineral/Chemical/Paper Item Mfg	Mfg	
33 Machinery/Equipment/Metal/Durable Item Mfg,	Mfg	339116 Dental Laboratories
42 Durable Merchants and Wholesalers	Non-Mfg	
44 Consumer Non-Durable Retailers and Dealers	Non-Mfg	
45 Department, Specialty Retail Stores	Non-Mfg	
48 Transportation Op.s-Air/Water/Road/Rail/Pipe	Non_Mfg	486110 Crude Oil Pipelines 486910 Refined Oil Pipelines 486990 Pipelines – All Other 486210 Natural Gas Pipelines
49 Delivery, Courier, and Warehouse Operations	Non-Mfg	
51 Communication Medias– Book/Radio/TV/Etc	Non-Mfg	511110 Newspaper Publisher 511120 Periodical Publishers 511130Book Publishers 511191 Greeting Card Publishers 511199 Publishers All Other 512230 Music Publishers 512220 Record/Tape/Disk Mfg/Distrib 511210 Software Publishers
52 Financial Institutions/Operations	Non-Mfg	
53 Real Estate/Rentals/Leasing Operations	Non-Mfg	
54 Services- Professional/Research/Agencies	Non-Mfg	
55 Offices for Holding Companies/Corporations	Non-Mfg	
56 Business Services	Non-Mfg	562211 Hazardous Waste Disposal 562212 Solid Waste Landfill 562213 Solid Waste Incinerators 562219 Nonhazardous Waste Handle 562920 Materials Recovery Facilities 562910 Remediation Services 562998 All Other Waste Services
61 Schools and Training Centers	Non-Mfg	
62 Medical/Health/Wellness Services and Centers	Non-Mfg	
71 Recreation/Arts/Entertainment Operations	Non-Mfg	
72 Food/Restaurant/Lodging/Bars/Camping	Non-Mfg	
81 Repair & Service Shops/Organizations/Church	Non-Mfg	812921 Photofinishing Lab 812922 1 Hour Photofinishing Lab
92 Governmental Institutions	Non-Mfg	

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21 Mining/Quarrying,	Mfg	
22 Utility Services and Generation	Mfg	
23 Construction/Trade Contractors	Non-Mfg	237120 Oil & Gas Pipeline Construct
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32 Wood/Plastic/Mineral/Chemical/Paper Item Mfg	Mfg	
33 Machinery/Equipment/Metal/Durable Item Mfg,	Mfg	339116 Dental Laboratories
42 Durable Merchants and Wholesalers	Non-Mfg	
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45 Department, Specialty Retail Stores	Non-Mfg	
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Multiply the limit of insurance for subject property by the Equipment Breakdown rate.

2. No premium charge is required for the following property:
 - a) Property under construction
 - b) Property in the open and outdoor property
 - c) Property of others
 - d) Household property
 - e) Property at undeclared locations
3. Increased Consequential Loss Limit. Refer to reinsurance company for adjusted rates.
4. Increased Refrigeration Contamination Limit. Refer to reinsurance company for adjusted rates.
5. Equipment Breakdown Rate. The above Manufacturing or Non-manufacturing rate will be increased to reflect the following (when applicable):
 - a) Increased Consequential Loss Limit
 - b) Increased Refrigeration Contamination Limit
 - c) Cost of facultative reinsurance

Rule 74-2 Reserved for future use.

Rule 74-3 FALSE PRETENSE COVERAGE

- A. Description of Coverage. This coverage applies to property the insured rents or leases to another party and to property temporarily away from the insured's premises for demonstration or trial. The Voluntary Parting exclusion does not apply to this property when False Pretense Coverage is written.
- B. Limit of Insurance. The limit of insurance will be displayed in the declarations; limits available are \$25,000, \$50,000 or \$100,000 per occurrence.
- C. Deductible. The deductible is \$250.
- D. Form. Use endorsement CP 80 25.
- E. Premium Determination. Multiply the applicable rate by the exposure (in \$1,000s).

Exposure is the total value of all property subject to this coverage.

	<u>LIMIT</u>	<u>RATE</u>
\$	25,000	\$ 1.50
	50,000	2.00
	100,000	2.25

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Multiply the limit of insurance for subject property by the Equipment Breakdown rate.

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- C. Deductible. The deductible is \$250.
- D. Form. Use endorsement CP 80 25.
- E. Premium Determination. Multiply the applicable rate by the exposure (in \$1,000s).

Exposure is the total value of all property subject to this coverage.

	<u>LIMIT</u>	<u>RATE</u>
\$	25,000	\$ 1.50
	50,000	2.00
	100,000	2.25

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f. Minimum rates and premiums.

g. Dwelling properties that contain fewer than five dwelling units. However, this rule does not apply to property that is part of an apartment or condominium project.

Rule 8.B does not apply to dwelling properties that contain fewer than five dwelling units unless the property is part of an apartment or condominium project.

h. Customers' Patterns, Dies and Molds Coverage.

i. Commercial Property Flood Coverage

**SENTRY INSURANCE A MUTUAL COMPANY
MIDDLESEX INSURANCE COMPANY
PATRIOT GENERAL INSURANCE COMPANY
SENTRY LLOYDS OF TEXAS
MLCP-CE-2**

State:	District of Columbia	First Filing Company:	Sentry Insurance a Mutual Company, ...
TOI/Sub-TOI:	01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)		
Product Name:	Commercial Fire		
Project Name/Number:	DC - C/W - CF-2017-RFLLC/OFLFR/RFLRU - 01 71 74 - 2018/005.9956-18079		

Supporting Document Schedules

Satisfied - Item:	Readability Certificate
Comments:	Please refer to the Form Tab for Readability Score
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Consulting Authorization
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Copy of Trust Agreement
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Expedited SERFF Filing Transmittal Form
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Markup CP 80 28
Comments:	
Attachment(s):	Mark Up CP 80 26 01 16 to 10 18 edition.pdf
Item Status:	
Status Date:	

Satisfied - Item:	CP 80 26 Filing Summary
Comments:	
Attachment(s):	CP 80 26 Revision Summary.pdf
Item Status:	
Status Date:	

SERFF Tracking #:	SEPX-131459175	State Tracking #:		Company Tracking #:	FLOOD/QUAKE SBP FORM
State:	District of Columbia	First Filing Company:	Sentry Insurance a Mutual Company, ...		
TOI/Sub-TOI:	01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)				
Product Name:	Commercial Fire				
Project Name/Number:	DC - C/W - CF-2017-RFLLC/OFLFR/RFLRU - 01 71 74 - 2018/005.9956-18079				

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL BROADENED PROPERTY COVERAGE

This endorsement modifies the insurance provided by the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
BUSINESS INCOME COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM

- I. The following changes apply to the Building and Personal Property Coverage Form and the Condominium Commercial Unit-Owners Coverage Form:

A. Coverage

1. Covered Property

a. Extended Premises Definition

Covered personal property (including building materials used for making additions, alterations or repairs to covered buildings) is covered while it is:

- (1) In or on the building described in the Declarations; or
- (2) In the open (or in a vehicle) within 1,500 feet of the described premises.

This provision modifies Sections **A.1.a.(5)(b)**, **A.1.b.** and **A.1.c.(2)** of the Building and Personal Property Coverage Form and Sections **A.1.a.** and **A.1.b.(2)** of the Condominium Commercial Unit-Owners Coverage Form.

b. Additions to Your Business Personal Property

The insurance that applies to Your Business Personal Property includes the following property:

- (1) Data processing equipment;
- (2) Valuable papers and electronic media;
- (3) Fine arts; and
- (4) The following property at premises rented or leased to you if you have a contractual responsibility to pay for repair or replacement after damage by a Covered Cause of Loss:
 - (a) Building glass;

(b) Outdoor fixtures; and

(c) Heating or air conditioning systems that service only the premises leased to you.

This property will be considered to be tenant's improvements and betterments.

The types of property described in this provision are added to Section **A.1.b.** of the Building and Personal Property Coverage Form and Section **A.1.b.** of the Condominium Commercial Unit-Owners Coverage Form.

2. Additional Coverages

- a. The following provisions revise the Additional Coverages provided by the Coverage Form.

(1) Debris Removal

The additional limit provided by Section **A.4.a.(4)** of the Coverage Form is \$50,000 or the Debris Removal Limit shown in the Declarations.

(2) Preservation of Property

(a) Coverage under this Additional Coverage is extended to apply for 180 days after the property is first moved. The time period specified in Section **A.4.b.(2)** of the Coverage Form does not apply to this Additional Coverage.

(b) During the first 180 days after the property is moved this Additional Coverage is subject to the Limit of Insurance that applies to the Covered Property. Thereafter, this Additional Coverage is subject to the Limit

Commented [DB1]: Indent to align with the (b) & (c) above

of Insurance that applies to
Property At Any Location.

(3) Fire Department Service Charge

Coverage provided by the Fire Department Service Charge Additional Coverage is subject to the Direct Loss Blanket Limit. The limit in Section **A.4.c.** of the Coverage Form does not apply to this Additional Coverage.

(4) Pollutant Clean-Up and Removal

The most we will pay for under this Additional Coverage for each described building is \$100,000 or the Pollutant Clean-Up and Removal limit shown in the Declarations for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

This provision replaces the Final Paragraph of Section **A.4.d.** of the Building and Personal Property Coverage Form.

(5) Electronic Data

(a) Electronic data are covered for loss or damage by any Covered Cause of Loss. Paragraph **A.4.f.(3)** of the Building and Personal Property Coverage Form and Paragraph **A.4.e.(3)** of the Condominium Commercial Unit-Owners Coverage are deleted.

(b) Coverage provided by the Electronic Data Additional Coverage is subject to the Direct Loss Blanket Limit. The limit in Paragraph **A.4.f.(4)** of the Building and Personal Property Coverage Form and Paragraph **A.4.e.(4)** of the Condominium Commercial Unit-Owners Coverage Form are deleted.

b. The following Additional Coverages are added to your policy:

(1) Building Ordinance Coverage

(a) This Additional Coverage applies separately to each covered building.

(b) Coverage provided by this Additional Coverage applies only if both of the following conditions are satisfied.

1) The ordinance or law:

a) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

b) Is in force at the time of the loss.

2) a) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law you are required to comply with; or

b) The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law you are required to comply with. In this situation, we will not pay the full amount of loss otherwise payable under the terms of this Additional Coverage. Instead, we will pay a proportion of the loss; meaning the proportion that covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law you are required to comply with, then we will pay the full amount of loss otherwise payable under this Additional Coverage.

c) But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law you are required to comply with, then there is no coverage under this endorsement even if the building has also sustained covered direct physical loss or damage.

Coverage under this Additional Coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered.

(c) Coverage

1) Loss to the Undamaged Portion of the Building:

With respect to the building that has sustained covered direct physical damage, we will pay for the loss in value of the undamaged portion of the building as a consequence of a requirement to comply with an ordinance or law that requires demolition of undamaged parts of the same building.

When there is a loss in value of an undamaged portion of a building, the loss payment for that building, including damaged and undamaged portions is limited to the lesser of:

- a) The value of the building at the time of the loss; or
- b) The Limit Of Insurance shown in the Declarations for that building.

This coverage is included within the Limit of Insurance shown in the Declarations as applicable to the covered Building Property. This coverage does not increase the Limit of Insurance.

2) Demolition Cost Coverage:

With respect to the building that has sustained covered direct physical damage, we will pay the cost you actually spend to demolish and clear the site of undamaged parts of the same building, as a consequence of a requirement to comply with an ordinance or law that requires demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

Demolition Cost Coverage is subject to the Direct Loss Blanket Limit.

Demolition Cost Coverage provided by this Additional Coverage is excess above similar coverage provided by an Ordinance or Law Coverage Endorsement included in this policy.

3) Increased Cost of Construction:

a) With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- (i) Repair or reconstruct damaged portions of that building; and/or
- (ii) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of a requirement to comply with the minimum standards of the ordinance or law.

However:

- (i) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (ii) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

- b) When covered Building property is damaged or destroyed by a Covered Cause of Loss and Increased Cost of Construction Coverage applies to that property in accordance with Paragraph a) above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in Paragraph a):

- (i) The cost of excavations, grading, backfilling and filling;
- (ii) Foundation of the building;
- (iii) Pilings; and
- (iv) Underground pipes, flues and drains.

The items listed in Sections (i) through (iv) of this paragraph are deleted from Property Not Covered, but only with respect to coverage described in this Paragraph.

We will not pay under Increased Cost of Construction Coverage until the property is actually repaired or replaced, at the same premises or another premises.

We will not pay under Increased Cost of Construction Coverage unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Increased Cost of Construction Coverage is the increased cost of construction at the same premises.

If the ordinance or law requires relocation to another premises, the most we will pay under the Increased Cost of Construction Coverage is the increased cost of construction at the new premises.

Increased Cost of Construction Coverage is subject to the Direct Loss Blanket Limit.

Increased Cost of Construction Coverage provided by this Additional Coverage is excess above similar coverage provided by an Ordinance or Law Coverage Endorsement included in this policy.

(d) Exclusions

- 1) We will not pay for costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".
- 2) Building Ordinance Coverage does not apply to loss due to any ordinance or law that:
 - a) You were required to comply with before the loss, even if the building was undamaged; and
 - b) You failed to comply with.
- (e) The Increased Construction Cost Additional Coverage in Section A.4.e. of the Building and Personal Property Coverage Form does not apply to your policy.

(2) Fire Extinguisher Recharging

We will pay the expenses you incur to recharge fire extinguishers or commercial fire suppression systems that have been used to fight a fire at a described building. Coverage under this Additional Coverage is subject to the Direct Loss Blanket Limit.

(3) Accounts Receivable

We will pay for the following after your records of accounts receivable are damaged or destroyed by a Covered Cause of Loss.

- (a) Amounts due from your customers that you are unable to collect;
- (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of those amounts;
- (c) Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
- (d) Other reasonable expenses you incur to reestablish your records of accounts receivable.

Coverage under this Additional Coverage is subject to the Indirect Loss Blanket Limit.

(4) Expenses to Protect Property

Coverage for the reasonable expenses you incur to protect Covered Property from further damage by a Covered Cause of Loss is subject to the Direct Loss Blanket Limit. These expenses are not subject to the Limit of Insurance that applies to the damaged or destroyed property.

(5) Employee Property

We will pay for loss by a Covered Cause of Loss to any property that is owned by your employees and that is used in your business. But we will not pay for property which is at the employee's place of residence when the loss or damage occurs.

Coverage under this Additional Coverage is subject to the Direct Loss Blanket Limit. Our payment for loss or damage under this Additional Coverage will only be for the account of the employee.

If employee's property is the only property lost or damaged in an occurrence we will deduct \$100 from the amount of each employee's claim. No other deductible will apply to the occurrence.

This Additional Coverage replaces any coverage for employee property used in your business which may be afforded by other provisions of the Coverage Form.

(6) Arson or Theft Reward

We will pay a reward for information which leads to an arson conviction in connection with a fire or theft loss covered by this policy. The most we will pay as a reward is 25% of the amount of the fire or theft loss, or \$50,000; whichever is smaller.

This Additional Coverage is provided in addition to the applicable Limit of Insurance.

(7) Consequential Damage to "Stock"

If a Covered Cause of Loss damages covered "stock" we will pay any reduction in value or remaining parts of covered "stock".

Payment for any reduced value of "stock" is subject to the Limit of Insurance that applies to the premises at which the "stock" is located.

(8) Business Income

We will pay for your loss of business income due to the necessary suspension of your operations because of direct physical loss of or damage to property at the building described in the Declarations by a Covered Cause of Loss. We will also pay if the suspension results from damage to personal property in the open within 1,500 feet of such premises described in the Declarations.

Business income means:

- (a) The net income (net profit or loss before income taxes) that you would have earned if the Covered Cause of Loss had not occurred; and
- (b) Continuing normal operating expenses that you incur while your operations are suspended.

Coverage under this Additional Coverage is subject to the Indirect Loss Blanket Limit.

We will pay for loss of business income in addition to the amount that we pay for the direct physical loss.

The coverage provided by this Additional Coverage is excess above any insurance provided by a Business Income Coverage Form included in this policy.

(9) Extra Expense

We will pay for the extra expense you incur because of direct physical loss of or damage to property at the building described in the Declarations by a Covered Cause of Loss. We will also pay for the extra expense you incur because of damage to personal property in the open within 1,500 feet of such premises described in the Declarations.

Extra expense means necessary expenses you incur while the property that has been damaged or destroyed is repaired or replaced that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

The extra expense must be incurred for the following purposes:

- (a)** To avoid or minimize the suspension of business and to continue operations:
 - 1)** At replacement buildings or at temporary locations, including:
 - a)** Relocation expenses; and
 - b)** Costs to equip and operate the replacement or temporary locations;
 - 2)** To minimize the suspension of business if you cannot continue operations; or
 - 3) a)** To repair or replace any property; or

- b)** To research, replace or restore the lost information on damaged valuable papers or records;

to the extent that it reduces the amount of loss that otherwise would have been payable under this Additional Coverage.

Coverage under this Additional Coverage is subject to the Indirect Loss Blanket Limit.

We will pay for extra expense in addition to the amount that we pay for the direct physical loss.

The coverage provided by this Additional Coverage is excess above any insurance provided by a Business Income Coverage Form or Extra Expense Coverage Form included in this policy.

(10) Claim Preparation Expenses

We will pay the reasonable expenses you necessarily incur with our permission to prepare documentation, including inventories of damaged and undamaged property, that substantiates your claim for loss or damage to Covered Property.

This coverage does not apply to public adjuster fees or to attorney fees or other costs for legal services. Coverage under this Additional Coverage is subject to the Direct Loss Blanket Limit.

(11) Installment Sales Coverage

We will pay for direct loss by a Covered Cause of Loss to personal property you sold under a conditional sale or trust agreement or under any installment or deferred payment plan.

Payment for loss under this Additional Coverage is limited to the amount of your interest in the property.

Coverage under this Additional Coverage is subject to the Direct Loss Blanket Limit.

(12) Leasehold Interest Coverage for Undamaged Improvements and Betterments

We will pay for the replacement cost of undamaged improvements and betterments to buildings rented or leased to you if your lease is cancelled by the lessor following direct physical loss or damage to property at the building by a Covered Cause of Loss.

This Additional Coverage applies only when a valid condition of your lease permits cancellation following damage to the property.

- (a) If you rent the entire building, we will pay only if:
- 1) At least 25% of the building has been damaged; and
 - 2) The unexpired portion of your lease is at least six months and at least six months will be required to repair the building for your occupancy.
- (b) If you do not rent the entire building, we will pay only if:
- 1) The unexpired portion of your lease is at least six months; and
 - 2) At least six months will be required to repair the building for your occupancy.

Coverage under this Additional Coverage is subject to the Direct Loss Blanket Limit.

(13) Contract Penalty Expenses

We will pay expenses you incur for contract penalties assessed as a result of your failure to deliver your product accordingly to the terms of a contract. The failure and subsequent penalties must be due to a direct physical loss to a Covered Property by a Covered Cause of Loss.

The most we will pay under this Additional Coverage is \$50,000.

(14) Franchise Replacement Cost Valuation

In the event of a covered direct physical loss or damage by a Covered Cause of Loss to a Building or your Business Personal Property that is covered property at the described premises to which Replacement Cost Valuation applies, we will pay the increased

costs you incur to repair or replace the damaged Covered Property to comply with the minimum standards of franchisor specifications in effect at the time of loss, which you are required to comply with under written contract with your franchisor in effect at the time of loss.

(a) Conditions

- 1) This only applies if the damaged property is actually repaired or replaced as soon as reasonably possible after the loss or damage; and
- 2) Only to the increased costs incurred to repair or replace the damaged portions of the covered Building property and the damaged items of the covered Business Personal Property. It does not apply to any additional costs incurred to bring undamaged portions of the Building or Personal Property into compliance with franchisor specifications.

(b) This does not apply to the following:

- 1) Any increased costs incurred to comply with any franchisor specifications that:
 - a) You were required to comply with prior to the loss or damage to the covered property, even if there was no loss or damage to the property; and you failed to comply with.
- 2) Any increased costs incurred due to enforcement of ordinance or law.

(c) Coverage provided by the Franchise Replacement Cost Valuation extension is subject to a \$10,000 annual aggregate limit.

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3. Coverage Extensions

- a. The Coverage Extensions in the Coverage Form and in this endorsement apply to property located in or on buildings described in the Declarations or in the open (or in a vehicle) within 1,500 feet of the described premises. The Coverage Extensions also apply to Covered Property away from described premises.

This paragraph replaces the introduction to Section **A.5.** in the Coverage Form.

- b. The following provisions modify the Coverage Extensions in the Coverage Form.

(1) Newly Constructed or Acquired Property

(a) Period of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property Coverage will end when any of the following first occurs:

- 1) This policy expires;
- 2) 180 days expire after you acquire the property or begin construction of that part of the building that would qualify as Covered Property; or
- 3) You report values to us.

We will charge you additional premium from the date you acquire the property or begin construction of that part of the building that would qualify as Covered Property.

(b) Buildings

If this policy covers Building, you may extend that insurance to apply to:

- 1) Your new buildings while being built on the described premises; and
- 2) Buildings you

acquire, and buildings while being built, at locations other than the described premises, intended for:

- a) Similar use as the building described in the Declarations; or
- b) Use as a warehouse.

The most we will pay under this Extension for loss or damage to any building or structure is \$1,500,000 or the Newly Acquired or Constructed Building Limit shown in the Declarations.

(c) Your Business Personal Property

- 1) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:

- a) Business personal property, including such property that you newly acquire at any location you acquire; or
- b) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

The most we will pay for loss or damage under this Extension is the greater of the Property At Any Location Limit of Insurance shown in the Declarations or \$750,000.

- 2) This Extension does not apply to:
 - a) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
 - b) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.
 - c) Personal property covered as part of Paragraph 3.b.(4) of this endorsement, Property Off-Premises.

These provisions replace Section A.5.a. of the Coverage Form.

(2) Personal Effects and Property of Others

- (a) Coverage provided by the Personal Effects and Property of Others Coverage Extension is subject to the Direct Loss Blanket Limit. The limit in Section A.5.b. of the Coverage Form does not apply to this Coverage Extension.
- (b) The Personal Effects Theft Limitation in the Coverage Form does not apply to this Coverage Extension.
- (c) This Coverage Extension applies to property of others while it is in transit.

Property of others is considered to be under your control from the time you receive it from the owner or another person responsible for the property until you return it to the owner or other person responsible for the property.

Property of others in the custody of a carrier for hire is considered to be under your control while it is being shipped to you or by you.

The Property in Transit Limit shown in the Declarations applies to property of others while it is in transit.

(3) Valuable Papers and Records (Other Than Electronic Data)

Section A.5.c. of the Coverage Form is replaced by the following:

c. Valuable Papers and Records (Other Than Electronic Data)

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost you incur to repair or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.

(2) Coverage under this Extension is subject to the Direct Loss Blanket Limit. Coverage under the Direct Loss Blanket Limit is additional insurance. We will also pay for the additional cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

(4) Property Off-Premises

The following provisions replace Coverage Extension **A.5.d.** of the Coverage Form.

d. You may extend the insurance provided by the coverage form to apply to your Covered Property while it is away from the described premises if:

1) It is:

- a) At a location you do not own, lease or operate; or
- b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term.

The most we will pay for loss or damage to this property is the limit shown in the Declarations for property at any location.

2) It is in transit, including airborne and waterborne shipments. Paragraph **A.2.i.** of the Building and Personal Property Coverage Form and Paragraph **A.2.f.** of the Condominium Commercial Unit-Owners Coverage Form do not apply to this Coverage Extension.

The following property in transit is not covered:

- a) Property in route to or from Alaska, Hawaii or Puerto Rico.
- b) Property being shipped by way of the Panama Canal.
- c) Property covered under an import or export ocean marine policy.
- d) Export shipments that have been loaded on board the exporting vessel or vehicle.
- e) Import shipments that have not been unloaded from the importing vessel or vehicle.

The most we will pay for loss or damage to this property is the limit shown in the Declarations for property in transit.

3) It is in your care, custody or control or in the care, custody or control of your agent, employee, messenger or salesperson.

The most we will pay for loss or damage to this property is the limit shown in the Declarations for property in the custody of a messenger or salesperson.

4) It is at any fair, trade show or exhibition.

The most we will pay for loss or damage to this property is the limit shown in the Declarations for property at any exhibit.

This Coverage Extension applies to property in the Coverage Territory.

This Coverage Extension applies to Covered Property at job sites before it has been installed. Coverage continues after the property has been installed until the owner of the building or structure accepts the work.

This Coverage Extension applies to construction machinery, materials handling machinery and similar self-propelled machinery that you use in your operations. But these provisions do not apply to autos, aircraft or watercraft.

(5) Outdoor Property

- (a)** Coverage under the Outdoor Property Coverage Extension is extended to include damage caused by vehicles.
- (b)** Coverage provided by the Outdoor Property Coverage Extension is subject to the Direct Loss Blanket Limit. But we will not pay more than \$2,500 for any one tree, shrub or plant.

c. The following Coverage Extensions are added to the Coverage Form.

Each of these Extensions is additional Insurance. The Additional Condition, Coinsurance, does not apply to these Extensions.

(1) Building Foundations

You may extend the building insurance provided by this policy to apply to foundations of buildings, structures, machinery or boilers that are below:

- (a)** The lowest basement floor; or
- (b)** The surface of the ground, if there is no basement.

Coverage under this Coverage Extension is subject to the Direct Loss Blanket Limit.

(2) Key Replacement and Lock Repair or Replacement

You may extend the insurance provided by this policy to apply to the following expenses after a covered theft loss:

- (a)** Replacement of stolen keys; or
- (b)** Lock repair or replacement.

Coverage under this Coverage Extension is subject to the Direct Loss Blanket Limit.

(3) Limited International Coverage for Your Business Personal Property

(a) Coverage

You may extend the insurance that applies to Your Business Personal Property to apply to Your Business Personal Property that is temporarily outside the Coverage Territory if it is:

- 1)** In your care, custody or control; or
- 2)** In the care, custody or control of your authorized representative, including another insured or your salesperson(s); or
- 3)** While located at a business location owned or operated by you or leased by you; or
- 4)** While at any fair, trade show or exhibition.

(b) This Coverage Extension does not apply to:

- 1)** Business Personal Property exported from the Coverage Territory or held for sale outside the Coverage Territory; or
- 2)** Property while in the care, custody or control of a common or contract carrier or bailee for hire, except for property while being handled or stored by the carrier that is at the same time transporting you or your authorized representative.

(c) Limit of Insurance

- 1)** The most we will pay under Paragraphs **(a)1)**, **(a)2)** or **(a)3)** of this Coverage Extension is the limit shown in the Declarations for property in the custody of a messenger or salesperson.
- 2)** The most we will pay under Paragraph **(a)4)** of this Coverage Extension is the Limit of Insurance shown in the Declarations for property at any exhibit.

(d) Loss Settlement

The value of property and the cost of its repair or replacement will be determined in United States currency based on values and costs in the area of the described premises where Your Business Personal Property is permanently located, and subject to all applicable policy provisions including the Valuation and Loss Payment Conditions.

(e) Legal Action Against Us

Any legal action against us concerning coverage provided under this Coverage Extension must be commenced in a court of law in the United States of America or in any other forum to which we consent.

(4) Appurtenant Buildings

You may extend the insurance provided by this policy to:

(a) Storage buildings, garages and other appurtenant structures within 1,500 feet of a described premises. The most we will pay for loss or damage in a single occurrence under this extension is \$50,000.

(b) Business Personal Property located in a storage building, garage or other appurtenant structure within 1,500 feet of a described premises. The most we will pay for loss or damage in a single occurrence under this extension is \$25,000.

(5) Lessor Move Back Expenses

You may extend the insurance provided by this policy to include expenses you pay to move a tenant back into the portion of your building temporarily vacated. The vacancy must have occurred due to a direct physical loss to Covered Property resulting from a Covered Cause of Loss during the policy period.

The tenant must move back within 90 days after the portion of the building rented is ready for occupancy.

Coverage under this Coverage Extension is subject to the Direct Loss Blanket Limit.

(6) Underground Pipes, Flues or Drains

You may extend the building insurance provided by this policy to apply to underground pipes, flues or drains. Coverage under this Coverage Extension is subject to the Direct Loss Blanket Limit.

4. Crime Additional Coverages

Crime Coverages **A.4.a.** through **A.4.f.** are added to your policy:

a. Employee Theft

(1) We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by an employee acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:

(a) Cause you to sustain loss or damage; and also

(b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:

- 1)** Any employee; or
- 2)** Any other person or organization.

(2) We will not pay for loss or damage:

(a) Resulting from any dishonest or criminal act that you or any of your partners or "members" commit whether acting alone or in collusion with other persons.

(b) Resulting from any dishonest act committed by any of your employees (except as provided in Paragraph **(1)**), "managers" or directors:

- 1)** Whether acting alone or in collusion with other persons; or
- 2)** While performing services for you or otherwise.

(c) The only proof of which as to its existence or amount is:

- 1)** An inventory computation; or
- 2)** A profit and loss computation.

- (d) Caused by an employee if the employee had also committed theft or any other dishonest act prior to the effective date of this policy and you or any of your partners, "members", "managers" officers, directors or trustees, not in collusion with the employee, learned of that theft or dishonest act prior to the policy period shown in the Declarations.
- (3) If any loss is covered
- (a) Partly by this insurance; and
- (b) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;
- the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.
- We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- (4) This Additional Crime Coverage is cancelled as to any Employee immediately upon discovery by:
- (a) You; or
- (b) Any of your partners, "members", "managers", officers or directors not in collusion with employee;
- of any dishonest act committed by that employee before or after being hired by you.
- (5) We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.
- (6) If you (or any predecessor in interest) sustained loss or damage during the policy period or any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Crime Coverage, provided:

- (a) This Additional Crime Coverage became effective at the time of cancellation or termination of the prior insurance; and
- (b) The loss or damage would have been covered by this Additional Crime Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- (7) The insurance under Paragraph (6) above is part of, not in addition to, the Limit of Insurance applying to this Additional Crime Coverage and is limited to the lesser of the amount recoverable under:
- (a) This Additional Crime Coverage as of its effective date; or
- (b) The prior insurance had it remained in effect.
- (8) With respect to the Employee Theft Additional Coverage, employee means:
- (a) Any natural person:
- 1) While in your service or for 30 days after termination of service;
 - 2) Who you compensate directly by salary, wages or commissions; and
 - 3) Who you have the right to direct and control while performing services for you;
- (b) Any natural person who is furnished temporarily to you:
- 1) To substitute for a permanent employee as defined in Paragraph (a) above, who is on leave; or
 - 2) To meet seasonal or short-term workload conditions;
- (c) Any natural person who is leased to you under a written agreement between you and a labor firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (b) above;
- (d) Any natural person who is a former employee, director, partner, member, manager, representative or trustee retained as a consultant while performing services for you; or

- (e) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside any building you occupy in conducting your business.

But employee does not mean:

- (a) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (b) Any "manager", director or trustee except while performing acts coming within the usual duties of an employee.

b. Forgery or Alteration

- (1) We will pay for loss resulting directly from forgery or alteration of any check, draft, promissory note, bill of exchange or similar written promises in "money" that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
- (2) If you are sued for refusing to pay any instrument covered in Paragraph (1) above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense.
- (3) For the purpose of this Additional Crime Coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act, and will be treated the same as the original it replaced.

c. Money and Securities

- (1) We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee (including a temporary or leased employee) having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:
 - (a) Theft, meaning any act of stealing;

- (b) Disappearance; or

- (c) Destruction.

- (2) In addition to the Limitations and Exclusions in the Causes of Loss Special Form, we will not pay for loss from this Additional Crime Coverage:

- (a) Resulting from accounting or arithmetical errors or omissions;

- (b) Due to the giving or surrendering of property in any exchange or purchase;

- (c) Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device; or

- (d) For damage to "money" and "securities" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described premises, bank or savings institution:

- 1) To a person (other than a messenger) outside those premises; or

- 2) To a place outside those premises.

- (3) You must keep records of "money" and "securities" so we can verify the amount of any loss or damage.

d. Computer Fraud and Funds Transfer Fraud

- (1) We will pay for loss or damage to "money", "securities" and "other property" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described premises, bank or savings institution

- (a) To a person (other than a "messenger") outside the described premises; or

- (b) To a place outside the described premises.

- (2) We will pay for loss of "money" and "securities" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "money" and "securities" from your "transfer account".

(3) We will not pay for loss resulting from:

(a) The use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards of the information contained on such cards; except for as provided by the Unauthorized Business Card Use Additional Coverage.

(b) Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- 1) An inventory computation; or
- 2) A profit and loss computation.

e. Money Orders and Counterfeit Money

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:

(1) Money orders issued by any post office, express company or bank that are not paid upon presentation

(2) "Counterfeit money" that is acquired during the regular course of business

f. Unauthorized Business Card Use

(1) We will pay for loss resulting from the theft or unauthorized use of a Credit, Debit or Charge Card issued in your business name, and to be used solely for business purposes. Coverage includes reasonable legal expenses incurred.

(2) We will not pay for loss resulting from the theft or unauthorized use of a business card entrusted to others or any of your employees.

g. Crime Additional Coverages Limit of Insurance

(1) All loss or damage;

(a) Caused by one or more persons; or

(b) Involving a single act or series of acts; is considered one occurrence.

(2) The most we will pay for loss or damage in any one occurrence for one or any combination of coverages included in the Crime Additional Coverages 4. a. through 4. f. is the Crime Loss Blanket Limit shown in the Declarations.

h. Fraudulent Impersonation

~~We will pay for loss resulting directly from your having, in good faith, transferred "money", "securities" or "other property" in reliance upon a "transfer instruction" purportedly issued by:~~

~~(1) An "employee", or any of your partners, "members", "managers", officers, directors or trustees, or you (if sole proprietorship); or~~

~~(2) Your "customer" or "vendor"~~

~~But which "transfer instruction" proves to have been fraudulently issued by an imposter without the knowledge or consent of the person in Paragraphs h. (1) or h. (2).~~

~~The most we will pay in any one occurrence and in aggregate for the policy is \$10,000. There is a \$1,000 deductible that will be applied to this coverage.~~

~~h.i.~~ The following definitions are added for the Crime Additional Coverages.

~~(1)~~ "Counterfeit money" means an imitation of "money" which is intended to deceive and be taken as genuine.

~~(1)(2)~~ "Customer" means an entity or individual to whom you sell goods or provide services under a written contract.

~~(2)(3)~~ "Fraudulent instruction" means:

(a) An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;

(b) A written instruction (other than those described in Paragraph A.4.b. of this endorsement) issued by you, which was forged or altered by someone other than you without your knowledge or consent or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or

~~(c) An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an employee but which was in fact~~

~~fraudulently transmitted by
someone else without your
or the employee's knowledge
or consent.~~

~~(3)~~(4) "Manager" means a person serving in a directional capacity for a limited liability company.

~~(4)~~(5) "Member" means an owner of a limited liability company represented by its membership interest, who may also serve as a manager.

~~(5)~~(6) "Messenger" means you, or a relative of yours, or any of your partners or "members", or any employee while having care and custody of property outside the premises;

~~(6)~~(7) "Money" means:

(a) Currency, coins and bank notes in current use and having a face value; and

(b) Travelers checks, register checks and money orders held for sale to the public.

Money does not include virtual or electronic currency, such as (but not limited to) bitcoin.

~~(7)~~(8) "Other property" means any tangible property other than "money" and "securities" that has an intrinsic value. "Other property" does not include computer programs, electronic data or any property specifically excluded under this insurance.

~~(8)~~(9) "Securities" means negotiable and nonnegotiable instruments—or contracts representing either "money" or property and includes:

(a) Tokens, tickets, revenues and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

(b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".

Securities does not include virtual or electronic currency, such as (but not limited to) bitcoin.

(b)

~~(9)~~(10) "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "money" and "securities":

(a) By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or

(b) By means of written instructions (other than those described in Paragraph **A.4.b.** of this endorsement) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

(10) "Transfer instruction" means an instruction directing you to transfer "money", "securities", or "other property".

~~(10)~~(11) "Vendor" means an entity or individual from whom you purchase goods or receive services under a written contract.

B. Limits Of Insurance

1. Outdoor Signs ~~Attached to Buildings~~

a. The limit that applies to covered buildings includes outdoor signs attached to the building. The limit shown in Section **C.** of the Coverage Form does not apply to this policy.

b. The limit that applies to covered business personal property includes detached signs. The limit shown in Section **C.** of the Coverage Form does not apply to this policy.

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2. The following provisions are added to Section C. of the Coverage Form.

a. Business Personal Property - Seasonal Increase

- (1) The Limits of Insurance for Your Business Personal Property and Personal Property of Others will automatically increase by 50% to provide for seasonal variations.

This increase will apply only if the Limit of Insurance for your business personal property shown in the Declarations is at least 100% of your average monthly values during the lesser of:

(a) The twelve months immediately preceding the date the loss or damage occurs; or

(b) The period of time you have been in business as of the date the loss or damage occurs.

- (2) This section does not apply to property covered under a value reporting form or to property subject to a blanket limit of insurance that applies to coverage for a building.

b. Direct Loss Blanket Limit

The Direct Loss Blanket Limit shown in the Declarations applies separately to each premises building specifically described in the Declarations.

At the time of loss you may apportion the Direct Loss to any coverage subject to the limit, or to any combination of coverages subject to the limit. The total amount apportioned at a building may not exceed the Direct Loss Blanket Limit.

If a specific Limit of Insurance is shown in the Declarations for a coverage subject to the Direct Loss Blanket Limit, the specific limit applies in addition to any amount apportioned under the Direct Loss Blanket Limit.

Coverages subject to the Direct Loss Blanket Limit are subject to the Deductible that applies to loss or damage in an occurrence under this policy.

c. Indirect Loss Blanket Limit

The indirect Loss Blanket Limit shown in the Declarations applies separately to each building specifically described in the Declarations.

At the time of loss you may apportion the Indirect Loss Blanket Limit to any coverage subject to the limit, or to any combination of coverages subject to the limit. The total amount apportioned at a building may not exceed the Indirect Loss Blanket Limit.

If a specific Limit of Insurance is shown in the Declarations for a coverage subject to the Indirect Loss Blanket Limit, the specific limit applies in addition to any amount apportioned under the Indirect Loss Blanket Limit.

d. Crime Loss Blanket Limit

The Crime Loss Blanket Limit in the Declarations applies separately to each building specifically described in the Declarations.

At the time of loss you may apportion the Crime Loss Blanket Limit to any coverage subject to the limit, or to any combination of coverages subject to the limit. The total amount apportioned at a building may not exceed the Crime Loss Blanket Limit.

Coverages included in the Crime Loss Blanket Limit are excess over any insurance provided by a Crime Coverage Form included with this policy.

C. Deductible

The following provision is added to Section **D.** of the Coverage Form:

Glass Deductible

Regardless of the amount of the Deductible, the most we will deduct from any loss to covered building glass in any one occurrence is \$250.

This deductible amount will not increase the deductible shown in the Declarations. This deductible will be used to satisfy the requirements of the deductible shown in the Declarations.

D. Loss Conditions

1. Section **E.7. Valuation**, of the Building and Personal Property Coverage Form and Section **E.8. Valuation**, of the Condominium Commercial Unit-Owners Coverage Form are replaced by the following provisions. But these provisions do not apply to property insured subject to a functional valuation endorsement.

7. Valuation

In the event of loss or damage we will determine the value of the Covered Property as follows:

a. Replacement Cost - Building Damage Less than \$5,0002,500

- (1) If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is ~~\$5,0002,500~~ or less, we will pay the cost of building repairs or replacement.
- (2) This provision does not apply to the following even when attached to the building:

- (a) Awnings or floor coverings;
- (b) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (c) Outdoor equipment or furniture.

b. Finished Stock

The value of finished "stock" you have sold but not delivered and of unsold "stock" you manufactured is the selling price less discounts and expenses you otherwise would have had.

At your option, you may make claim for loss or damage to sold and unsold finished "stock" on an actual cash value basis instead of a selling price basis.

c. Glass

The value of glass is its replacement cost. If safety-glazing material is required by statute the value of glass is the cost of replacement with safety-glazing material.

d. Tenants' Improvements and Betterments

- (1) The value of tenants' improvements and betterments to which you do not make repairs promptly is a proportion of your original cost. We will determine the proportionate value as follows:

(a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

(b) Divide by the number of days from the installation of the improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

(2) We will not pay for improvements or betterments if others pay for repair or replacement.

e. Exhibitions and Displays

The value of exhibitions and displays is your cost.

f. Patterns and Dies

The value of patterns and dies that are replaced is replacement cost (without deduction for depreciation).

The value of patterns and dies that you do not replace is actual cash value.

Replacement cost settlement is available only if the pattern or die is replaced within 2 years after the date of loss or damage. If the original payment for loss is an actual cash value settlement, payment may be extended to replacement cost (as of the date of loss) if the pattern or die is replaced within two years.

g. Fine Arts

The value of fine arts is the lowest of the following amounts:

(1) The market value of the property;

(2) The cost of reasonably restoring the property to its condition immediately before loss; or

(3) The cost of replacing the property with substantially identical property.

h. All Other Property

The value of all other property is its actual cash value as of the time of loss or damage.

Replacement cost means the cost to replace lost or damaged property with new property or to repair damaged property using new materials.

i. Coinsurance Waiver

If a coinsurance percentage is shown in the Declarations, this condition only applies when the loss or damage in any one occurrence is greater than \$10,000.

2. The following is added to amend **Loss Conditions E.7., Valuation**, of the Building and Personal Property Coverage Form and **Loss Conditions E.8., Valuation**, of the Condominium Commercial Unit-Owners Coverage Form for Crime Additional Coverages:

Valuation - Settlement

The value of loss for money and securities shall be determined as follows:

- 1) Loss of "money" but only up to and including its face value. We will, at your option, pay for loss of "money" issued by any country other than the United States of America:
 - (a) At face value of the "Money" issued by that country; or
 - (b) In the United States of America dollar equivalent determined by the rate of exchange published in the Wall Street Journal on the day the loss was discovered.
- 2) Loss of "securities" but only up to and including their value at the close of business on the day the loss was discovered. We may at our option:
 - (a) Pay the market value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or
 - (b) Pay the cost of any lost securities bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

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- (i) Market value of the "securities" at the close of business on the day the loss was discovered; or
- (ii) The Limit of Insurance applicable to the "securities".

Discovered means the time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this insurance has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known. It also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this insurance.

3. The following is added to amend **Loss Conditions E.4., Loss Payment**, of the Building and Personal Property Coverage Form and **Loss Conditions E.5., Loss Payment**, of the Condominium Commercial Unit-Owners Coverage Form:

Brands And Labels

If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or any part of the property at an agreed or appraised value. If so, you may:

1. Stamp "salvage" in the merchandise or its containers, if the stamp will not physically damage the merchandise; or
2. Remove the brands or labels, if doing so will not physically damage the merchandise. You must relabel the merchandise or its containers to comply with the law.

The most we will pay under the brands and labels provisions is \$50,000.

Pair, Sets Or Parts

1. Pair Or Set

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage;
or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

E. Additional Conditions

The following provisions are added to Section F. of the Coverage Form.

1. If this policy provides a separate limit for your business personal property at each building, you may, at your option, combine the Limits of Insurance for all buildings and the values at all buildings for the purposes of the Additional Condition, Coinsurance. This will not change the Limit of Insurance that applies at any building.

If you do not exercise this option, the Coinsurance Condition will be applied separately at each building.

Commented [DB2]: Insert pair, sets, or Parts provisions to be even with "Brands or Labels" Above

2. The Additional Condition, Coinsurance, does not apply to Personal Property of Others.

This section does not apply to Personal Property of Others subject to a blanket Limit of Insurance that also applies to other types of property.

- II. The following changes apply to the Business Income Coverage Form, if your policy includes a Business Income Coverage Form:

A. Coverage

Extended Premises Definition

The business income insurance, if any, provided by this policy applies to suspension caused by direct physical loss of or damage to property at the building described in the Declarations, or premises described in the Declarations, whichever distance is greater; including personal property in the open (or in a vehicle) within 1,500 feet, caused by or resulting from any Covered Cause of Loss.

This provision Modifies Section A. of the Business Income Coverage Form.

B. Additional Limitation -

~~ion~~ **Interrupt Of Computer Operations**

We will ~~not~~ pay up to \$50,000 per policy period for loss from a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, ~~for more than the longer of:~~

~~60 consecutive days from the date of direct physical loss or damage; or~~

- ~~1. The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace, with reasonable speed and similar quality, other property at the described building due to loss or damage caused by the same occurrence.~~

~~This limitation does not apply to Extra Expense.~~

Paragraphs **a.** and **b.** of the Additional Limitation - Interruption of Computer Operations are deleted.

The Interruption of Computer Operations Additional Coverage is deleted.

C. Additional Coverages

1. The following provisions modify the Additional Coverages in the Business Income Coverage Form:

a. Civil Authority

- (1) The Civil Authority Additional Coverage provided by the Business Income Coverage Form applies when access to the area immediately surrounding the damaged property is prohibited by civil authority as the result of the damage and the described premises are within that area. The provision that limits coverage to described premises that are one mile from the damage does not apply to your policy.
- (2) The Civil Authority Coverage provided by the Business Income Coverage Form applies for a period of up to 30 days from the date of action by the civil authority unless a longer period is specified in an endorsement included in the policy.

b. Alterations and New Buildings

The Alterations and New Buildings Additional Coverage of the Business Income Coverage Form applies to loss you sustain due to damage to building machinery, equipment, supplies and materials located on or within 1,500 feet of the described premises.

This provision changes Section (3) of the Additional Coverage.

c. Extended Business Income

The period during which the Extended Business Income Additional Coverage of the Business Income Coverage Form applies is increased to 90 days unless a longer period is shown in the Declarations.

2. The following Additional Coverages are added to the Business Income Coverage Form:

a. Business Income From Dependent Properties

We will pay for the actual loss of business income you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must result from a Covered Cause of Loss which causes direct physical loss or damage to property at a contingent business premises.

All exclusions in this policy that apply to coverage for business income apply to this Additional Coverage.

Coverage under this Additional Coverage is subject to the Indirect Loss Blanket Limit and to any Contingent Business Income Limit shown in the Declarations. Coverage under the Indirect Loss Blanket Limit is excess over any insurance provided subject to the Contingent Business Income Limit.

Contingent business premises means premises operated by others that:

- (1) Deliver material or services (other than water supply services, wastewater removal services, communications or power supply services) to you, or to others for your account.
- (2) Accept your products or services.
- (3) Manufacture products for delivery to your customers under contract of sale.
- (4) Attract customers to your business.

The "period of restoration" definition in the Business Income Coverage Form applies to loss covered by this Additional Coverage. But the "period of restoration" begins when the damage to the contingent business premises occurs and ends when that damage should be repaired, rebuilt or replaced.

The coverage provided by this Additional Coverage is excess above any insurance provided by a Business Income Dependent Properties Endorsement included in this policy.

b. Business Income From Interruption of Utility Services

We will pay for loss of business income at the building described in the Declarations if the business income loss is caused by the interruption of utility service to the building. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property, not on the premises described in the Declarations.

- (1) Water Supply Property, meaning the following types of property that supply water to the premises:
- (a) Pumping station; and
- (b) Water mains.

(2) Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility, and includes such facility.

(3) Communication Supply Property, meaning property supplying communication services, including telephone, radio, microwave or television services to the premises, such as:

(a) Communication transmission lines, including fiber optic transmission lines;

(b) Coaxial cable; and

(c) Microwave relay radios except satellites.

(4) Power Supply Property, meaning the following types of property supplying electricity, steam or gas to the premises;

(a) Utility generating plants;

(b) Switching stations;

(c) Substations;

(d) Transformers; and

(e) Transmission lines.

As used in this Additional Coverage, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

Coverage under this Additional Coverage is subject to the Indirect Loss Blanket Limit. But we will not pay for any interruption of less than 12 hours.

The coverage provided by this Additional Coverage is excess above any insurance provided by an Off Premises Services - Time Element Endorsement contained in this policy.

All exclusions in this policy that apply to coverage for business income apply to this Additional Coverage.

All interruptions arising from a single event are a single occurrence.

The definition of business income in the Business Income Coverage Form applies to this Additional Coverage.

c. Business Income Resulting From Damage to Property Away from Described Premises.

We will pay for the actual loss of business income you sustain due to necessary suspension of your "operations" as a result of direct physical loss of or damage to Covered Property away from described premises by any Covered Cause of Loss.

This coverage is provided only during the "period of restoration".

Coverage under this Additional Coverage is subject to the Indirect Loss Blanket Limit and to any Business Income Resulting From Damage to Property Away From Described Premises Limit shown in the Declarations. Coverage under the Indirect Loss Blanket Limit is excess over any insurance provided subject to the Business Income Resulting From Damage to Property Away From Described Premises Limit.

d. Claim Preparation Expenses

We will pay the reasonable expenses you necessarily incur with our permission to prepare documentation that substantiates your claim for loss under the Business Income Coverage Form.

This coverage does not apply to public adjuster fees or to attorney fees or other costs for legal services.

Coverage under this Additional Coverage is subject to the Indirect Loss Blanket Limit.

e. Ordinance or Law - Increased Period of Restoration

We will pay the amount of actual and necessary loss you sustain during the increase period of "suspension" of "operations" caused by or resulting from enforcement requirement to comply with any ordinance or law that:

- (1) Regulates the construction or repair of any property;
- (2) Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and
- (3) Is in force at the time of loss.

Coverage is not extended under this endorsement to include loss caused by or resulting from the enforcement of or compliance with any ordinance or law which requires:

- (1) The demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
- (2) Any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

For this coverage, the third paragraph of Definition **F.3.** is replaced with the following:

"Period of Restoration" includes any increased period required to repair or reconstruct the property to comply with the minimum standards of any ordinance or law, in force at the time of loss, that regulates the construction or repair, or requires the tearing down of any property.

Coverage under this Additional Coverage is subject to the Indirect Loss Blanket Limit.

D. Coverage Extension

1. The following provision modifies the Coverage Extensions in the Business Income Coverage Form.

Newly Acquired Locations

- a. The most we will pay for loss under this Extension, for the sum of Business Income and Extra Expense (if applicable), is the highest Limit of Insurance for Business Income Coverage at any building shown in the Declarations, but not more than \$500,000 or the Business Income - Newly Acquired Locations limit shown in the Declarations.

This change modifies Paragraph **b.** of the Coverage Extension.

- b. Coverage at newly acquired locations expires 180 days after you acquire or begin to construct the property.

This change modifies Paragraph **c.(2)** of the Coverage Extension.

2. The following Additional Coverage Extensions are added to the Business Income Coverage Form:

Lessor's Lease Cancellation - Loss of Income

If "Rental Value" is shown in the Declaration for Business Income Coverage you may extend your Business Income Coverage to include the cancellation of a lease by your tenant due to untenability caused by a Covered Cause of Loss to a covered building. The tenant must have occupied the building prior to the loss.

Coverage extends from the end of the period of restoration until such time you are able to lease the space to another tenant or the end of the policy period, whichever occurs first.

Coverage under this Coverage Extension is subject to the Indirect Loss Blanket Limit.

E. Limits

The following is added to Section **B.** of the Business Income Form:

Indirect Loss Blanket Limit

The indirect Loss Blanket Limit shown in the Declarations applies separately to each premises specifically described in the Declarations.

At the time of loss you may apportion the Indirect Loss Blanket Limit to any coverage subject to the limit, or to any combination of coverages subject to the limit. The total amount apportioned at a building may not exceed the Indirect Loss Blanket Limit.

If a specific Limit of Insurance is shown in the Declarations for a coverage subject to the Indirect Loss Blanket Limit, the specific limit applies in addition to any amount apportioned under the Indirect Loss Blanket Limit.

~~collapse, caused by:~~

F. Definitions

Period of Restoration

1. Paragraph **a.(1)** of Definition **F.3.** is replaced by the following, except for loss caused by earthquake to buildings over 4 stories in height:

(1) Immediately after the time of direct physical loss or damage for Business Income Coverage; or

2. Paragraph **a.(1)** of Definition **F.3.** applies to loss caused by earthquake to buildings over 4 stories in height.

III. The following provisions modify the Causes of Loss Special Form:

A. Building Ordinance Coverage

The building insurance, if any, provided by this policy covers loss caused by the enforcement of building laws that regulate the construction, use or repair of property, or which require property to be torn down.

Exclusion **B.1.a.** of the Causes of Loss Special Form does not apply to the Building Ordinance Coverage provided by this policy.

B. Property Away From Described Premises - Earth Movement and Water Damage

We will pay for personal property away from described premises if loss is caused by Earth Movement or Water.

The Earth Movement exclusion in Section **B.1.b.** of the Causes of Loss Special Form and the Water exclusion in section **B.1.g.** of the Causes of Loss Special Form or in an endorsement attached to this policy do not apply to personal property away from described premises.

C. Utility Services

We will pay for loss caused by failure of power supply property, communication supply property, water supply property, wastewater removal property or other utility service to the described premises. The interruption in Utility Service must result from a direct physical loss or damage by a Covered Cause of Loss

This coverage deletes Exclusion **B.1.e.** of the Causes of Loss Special Form.

~~D. Flood~~

~~This coverage applies only to those coverages for which Flood Coverage is shown in the Declarations.~~

~~We will pay for direct loss, and resulting~~

~~1. Flood, surface water, waves, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not.~~

~~—We will not pay for loss caused by flood or any other event that began before the inception of this insurance.~~

~~2. Mudslide or mudflow.~~

~~—We will not pay more than the Flood limit shown in the Declarations for all loss covered by this cause of loss.~~

~~1. The first and second numbered paragraphs of the Water exclusion in the Causes of Loss Special Form or in an endorsement attached to this policy do not apply to this coverage.~~

E.D. Sewer Back Up or Underground Seepage

We will pay for loss or damage caused by:

1. Water that backs up from a sewer or drain; or
2. Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

We will not pay more than \$25,000 or the Sewer Back Up Limit shown in the Declarations for loss or damage by these causes of loss in any one occurrence.

The third and fourth numbered paragraphs of the Water exclusion in the Causes of Loss Special Form or in an endorsement attached to this policy do not apply to this coverage.

F.E. Electrical Damage

We will pay for loss caused by artificially generated electrical current and by electrical arcing.

This coverage deletes Exclusion **B.2.a.** of the Causes of Loss Special Form.

G.F. Humidity, Temperature, Marring or Scratching

We will pay for personal property damaged by the following:

1. Dampness or dryness of atmosphere;
2. Changes in or extremes of temperature; or
3. Marring or scratching.

We will not pay more than \$25,000 or the Humidity, Temperature, Marring or Scratching limit shown in the Declarations for loss or damage by these causes of loss in any one occurrence.

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Exclusion **B.2.d.(7)** of the Causes of Loss Special Form does not apply to this coverage.

H.G. False Pretense

We will pay for property you rent or lease to others and for property temporarily away from your premises for trial or demonstration if someone caused you to voluntarily part with the property by any fraudulent scheme, trick, device or false pretense.

You must notify the police in the event of loss or damage under this coverage. You must also make every effort to recover the property when it is located.

The most we will pay for loss in any one occurrence is \$5,000. Occurrence means an act or a series of related acts involving one or more persons.

We will deduct \$250 from the amount that we will pay for loss or damage in any one occurrence.

Exclusion **B.2.i.** of the Causes of Loss Special Form does not apply to this coverage.

H.H. Property in the Open

We will pay for loss caused by rain, snow, ice or sleet that damages personal property in the open.

We will not pay more than \$10,000 or the Property in the Open Limit shown in the Declarations for loss or damage by these causes of loss in any one occurrence.

Exclusion **B.2.j.** of the Causes of Loss Special Form does not apply to this coverage.

J.I. Damage to Finished "Stock"

Business Income Coverage includes loss resulting from damage or destruction of finished "stock" or the time to replace finished "stock". This coverage deletes exclusion **B.4.a.(1)** of the Causes of Loss Special Form.

K.J. Interior Damage

Damage caused by rain, snow, sleet, ice, sand or dust to the interior of any covered building or structure, or to any Covered Property in a building or structure, is covered.

This coverage deletes Limitation **C.1.c.** of the Causes of Loss Special Form.

L.K. Theft of Building Materials Away From Described Premises

Building materials away from described premises are covered for loss caused by theft.

Limitation **C.1.d.** of the Causes of Loss Special Form does not apply to building materials away from described premises.

M.L. Builders Machinery, Tools and Equipment

Builders machinery, tools and equipment that are away from described premises are covered up to the applicable Limit of Insurance.

This coverage deletes Limitation **C.2.c.** of the Causes of Loss Special Form.

N.M. Industrial Diamonds and Precious Metals

We will pay up to \$25,000 or the Industrial Diamonds and Precious Metals Limit shown in the Declarations for theft of industrial diamonds or bullion, gold, silver, platinum and other precious alloys or metals.

Limitation **C.3.b.** of the Causes of Loss Special Form does not apply to this coverage.

O.N. Patterns and Dies

We will pay for theft of patterns, dies, molds or forms up to the applicable Limit of Insurance.

This coverage deletes Limitation **C.3.c.** of the Causes of Loss Special Form.

P.O. Property in Transit

Covered Property in transit is included in the coverage for personal property away from described premises.

Additional Coverage Extension **F.1.** of the Causes of Loss Special Form does not apply to this policy.

In addition to adopting the ISO flood rates/rules/forms, we are taking this opportunity to make some additional revisions to our Special Broadened Property endorsement (CP 80 26):

1. Updating language around the Fire Extinguisher Recharging provisions to clarify that this applies to all commercial fire suppression systems and not just extinguishers.
2. Added a new coverage for "Franchise Replacement Cost". The intent here is to cover additional expenses an insured may incur at time of loss to update their facility (logos, décor, etc...) to comply with franchise requirements. \$10,000 limit
3. Added new coverage language for "Fraudulent Impersonation Coverage" which follows very closely with the ISO Fraudulent Impersonation Coverage available on the commercial crime policy. \$10,000 limit.
4. Added language to clarify that virtual currency is not included as a covered type of money or security on the crime coverage extensions. This follows the ISO crime policy.
5. Increased the current Replacement Cost – Building damage less than limit from \$2,500 to \$5,000.
6. Adding language to eliminate coinsurance penalties for losses below \$10,000.
7. Adding language that provides coverage for a reduction in value of a pair or set in Business Personal Property Coverage.
8. Updating our Additional Limitation – interruption of computer operations coverage to a \$50,000 per policy period limit.
9. Clarifying language on our Utility Interruption coverage that the loss must be caused by a physical loss or damage by a covered cause of loss. This coverage is not intended to kick in unless this is a result of a covered cause of loss.
10. We have removed the flood provisions as with the adoption of the new ISO flood rates/rules we will rely on the ISO CP 10 65 to provide flood coverage.
11. Other miscellaneous editorial changes